INFORMATION LETTER

Not for Publication — NATIONAL CANNERS ASSOCIATION — For Members Only

No. 916 — Washington, D. C. — January 9, 1943

RESTRICTIONS ON CANNERS' DELIVERIES REMOVED

New M-237 Amendment Permits Canners to Ship Stocks for Civilian Consumption to Any Eligible Wholesaler or Jobber

An amendment to Conservation Order M-237, issued January 7, by the War Production Board, removes the restriction that this order placed on the sales of canners' stocks for civilian consumption. Canners may now sell and make shipment to wholesalers and jobbers who are eligible, under the amendment, to receive shipments. In its statement announcing this amendment, WPB said:

The amounts of restricted canned foods a wholesaler or jobber may deliver to his customers are not increased. Thus, the amounts available to consumers prior to the operation of rationing are not increased by the amendment.

The order was amended at the request of the Department of Agriculture and the Office of Price Administration to assure that wholesalers and jobbers possess inventories adequate to supply retail groceries, restaurants, bakeries, and other persons who buy canned foods in wholesale quantities, when rationing begins.

In some instances, the effect of the M-237 order as amended from time to time has been to reduce the inventories of some wholesalers below an adequate supply and to make replenishment impossible where accumulated deliveries amounted to a full quota before the expiration of the quota period. The primary purpose of the quota arrangement was to prevent consumer hoarding by spreading distribution more evenly throughout the year.

The amendment permits wholesalers, jobbers, and other wholesale receivers, who have been prevented from obtaining an adequate inventory, to accept enough canned foods beyond their quotas to keep inventories at 25 per cent of their base figures.

For example, if a wholesaler accepted or sold 100,000 cases of canned foods of Group I during the base period, he had an acceptance quota of 70,000 cases of that group, under the order as last amended.

Under this amendment, if by January 7, he already had accepted delivery of his entire quota, and in turn sold all or part of it to his customers, he is permitted to accept at any time an additional amount of canned fruits to keep his inventory at 25,000 cases.

The increase is hoped to be sufficient to increase wholesalers' inventories to a three-months supply at the rate of sales which will be permitted under rationing.

The amendment enables canners to dispose of the civilian pack of their products immediately, to the extent they can find buyers eligible to accept canned foods within the provisions of this amendment.

Under the order, a canner must not make deliveries to a wholesale receiver "who he knows or has reason to believe . . . is not entitled to receive the same." To establish a canner's good faith, it is advisable that he obtain the following statement from each wholesaler to whom he is making a delivery.

> "Pursuant to Conservation Order M-237, as amended, with the terms of which the undersigned is familiar, the undersigned certifies that he is entitled to receive delivery of the canned foods specified in this invoice."

(Concluded on page 7424)

Industry Advisory Committees to Meet

The War Production Board's three canning industry advisory committees have been called to Washington for meetings on January 15. The three committees, representing fruit, vegetable, and non-seasonal canners, will confer on agricultural, price, manpower, and production matters with officials of the various government agencies.

GLASS CLOSURE ORDER IS ISSUED

In M-104, WPB Specifies the Number of Closures Permitted for Civilian Packages

Conservation Order M-104 issued January 4 by the War Production Board restricts the use of closures for packing foods in glass. Closures made of tinplate and blackplate principally are covered by the order. The order likewise restricts the use of rubber gaskets. Since the limitation in this order is on the use of specified closure material, it follows that the order does not restrict the packing of food items in glass when a non-restricted closure is used.

The order specifies the number of closures that may be used for packing for the civilian trade. Thus, packing for the non-civilian agencies listed in the order is not restricted.

The order contains five schedules of products using closures. Canners will be interested primarily in Schedule 1, in which is listed foods. The 1943 packing quota of the closures specified in Schedule 1 is restricted for many items. The percentage permitted refers to the number of closures used for packing the product during the base period specified unless otherwise indicated by an asterisk. Wherever the asterisk appears the number of closures permitted is the percentage of the number of closures used during the base period indicated, plus the same percentage of the number of cans used for packing the product during the base period.

If closures were used during 1942 for a product not listed in Schedule 1, the same number of closures may be used

during 1943 for any product listed in Schedule 1, and in addition to the quotas specified. Text of the order follows:

Conservation Order M-104 as Amended Jan. 1, 1943

§ 1128.1 Conservation Order M-104

(a) Definitions.

(1) "Closure" means any sealing or covering device affixed or to be affixed to a glass container for the purpose of retaining the contents within the container.

(2) "Glass container" means any bottle, jar, or tumbler which is made of glass and which is suitable for packing any product.

(3) "Tinplate" means sheet steel coated with tin, and includes "primes," "seconds," "waste-waste," and all other forms of tinplate except waste.

(4) "Terneplate" means sheet steel coated with a lead-tin alloy, and includes "primes," "seconds," "waste-waste," and all other forms of terneplate except waste.

(5) "Blackplate" means any sheet steel, other than tinplate or terneplate, suitable for manufacturing into closures and includes "rejects," "electrolytic waste-waste," and all other forms of blackplate except waste.

(6) "Waste" means used closures and used cans, made of tinplate, terneplate, or blackplate; and scrap tinplate, terneplate, and blackplate produced in the ordinary course of manufacturing closures.

(7) "Rubber," whether a separate sealing ring or incorporated into a closure, means any polyvinyl acetate, or any crude rubber, latex, scrap rubber, reclaimed rubber, or synthetic rubber, as defined by Supplementary Order M-15-b, as amended from time to time.

(8) "Pack," unless particularly specified, means the number of closures used for packing a product during the base period specified.

(b) Restrictions upon manufacture, sale, and delivery of closures.

(1) No person shall sell or deliver any closure made in whole or in part of tinplate, terneplate, blackplate, wire, rubber, or waste, except under a purchase order or contract validated by delivery to such person of a purchaser's certificate, manually signed by the purchaser or an authorized official of the purchaser, in substantially the form attached hereto as Exhibit A. No person shall manufacture, sell, or deliver any such closure which he knows or has reason to believe will be used in violation of any provision of this order.

(2) No person shall use any tinplate, terneplate, blackplate, waste or rubber for the manufacture of the following types of closures:

(i) Cover caps which serve as a protective or decorative closure in addition to any original sealing medium such as another closure or paraffin.

(ii) Double shell or semi-double shell caps.

(iii) Two-piece closures when both pieces are made of metal, except as permitted in paragraph (b) (3).

(3) No person shall use any tinplate, terneplate, blackplate, wire, or rubber for the manufacture of any closure of the home canning type, except as, and to the extent permitted in Schedule V attached to this order. No closure manufactured pursuant to Schedule V shall knowingly be sold to any person for packing any product for sale.

(4) No person shall use any tinplate, terneplate, or blackplate, except "rejects" or "electrolytic waste-waste," heavier than 90 pounds per base box, for the manufacture of crown caps.

(5) No person shall use for the manufacture of closures any tinplate with a tin coating in excess of 1.25 pounds per base box.

(c) Restrictions upon purchase, acceptance of delivery, and use of closures.

No person shall, during any calendar year (or seasonal year or other period, when specified) purchase, accept delivery of, or use for packing a product, any closure made in whole or in part of tinplate, terneplate, blackplate, or rubber, except as, and to the extent permitted in Schedules I, II, III, and IV, attached to this order, *Provided, however,* That a jobber or retailer may obtain and sell closures in conformity with the provisions of this order. Blackplate may be used wherever tinplate or terneplate is specified. Closures made of waste shall not be used for packing any product for which closures made of tinplate, terneplate, and blackplate are totally prohibited.

(d) Exceptions.

(1) Nothing in this order shall prohibit any person who used less than 5,000 closures during the calendar year 1942 from purchasing, accepting delivery of, or using without restriction, an aggregate of 5,000 closures during any subsequent calendar year.

(2) The restrictions imposed by this order shall not apply to the purchase, acceptance of delivery, or use of closures for packing any product not listed in the schedules attached to this order, when such closures, on or before December 23, 1942, were completely manufactured or were in the form of tinplate, terneplate, or blackplate fully lithographed with a person's private design, cut into strips.

(3) No certificate shall be required for the sale or delivery of closures to:

(i) Retailers;

(ii) Persons purchasing closures from retailers.

(4) Nothing in this order shall prohibit the purchase, acceptance of delivery, or use (such use to be in addition to any quota specified in the schedules attached to this order) of closures by any of the following persons or by any person for packing any product to be delivered to or for the account of any of the following persons:

(i) Army, Navy, Marine Corps, Maritime Commission, or War Shipping Administration of the United States (including persons operating vessels for such Administration or Commission for use thereon).

(ii) Any person for packing products for retail sale or distribution through post-exchanges, sales commissaries, officers' messes, servicemen's clubs, ship service stores, or outlets; provided same are located at Army or Navy camps, are not operated for private profit and are established primarily for the use of Army or Navy enlisted personnel within Army or Navy establishments or on Army or Navy vessels.

(iii) American Red Cross or United Service Organizations.

(iv) Any agency of the United States purchasing for a foreign country pursuant to the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States" (Lend-lease Act).

(v) Any person in the Territory of Hawaii; provided that the exception provided by this paragraph (d) (4) (v) shall be limited to closures used in connection with the packing of products to be consumed in the said Territory.

(e) Miscellaneous provisions.

(1) *Applicability of priorities regulations.* This order and all transactions affected thereby are subject to all

applicable provisions of the priorities regulations of the War Production Board, as amended from time to time.

(2) *Appeals.* Any appeal from the provisions of this order shall be made by filing a letter in triplicate, referring to the particular provision appealed from and stating fully the grounds of the appeal.

(3) *Communications.* All reports required to be filed hereunder and all communications concerning this order shall, unless otherwise directed, be addressed to: Containers Division, War Production Board, Washington, D. C. Ref: M-104.

(4) *Violations.* Any person who wilfully violates any provision of this order, or who, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using, material under priority control and may be deprived of priorities assistance.

EXHIBIT A—PURCHASER'S CERTIFICATE

One copy of this certificate is to be delivered to each person from whom purchases are made or closures made in whole or in part of tinplate, terneplate, blackplate, wire, zinc, or rubber. Such certificate shall cover all purchases present and future.

The undersigned purchaser hereby certifies to the seller herein and to the War Production Board that he is familiar with Conservation Order M-104, as heretofore amended, and that he will not use or sell any closures purchased from .....

.....
Name of seller

.....
Address of seller

pursuant to this or future purchase orders or contracts, in violation of the terms of such order.

Date .....

.....
Legal name of purchaser

By .....
Authorized official

.....
Title of official

.....
Address of purchaser

Section 35 (A) of the U. S. Criminal Code (18 U.S.C.A. 80) makes it a criminal offense to make a false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

Schedule I—Food Closures

NOTE: Schedule I is amended in its entirety.

A. Any person who used closures from January 1, 1942, to December 31, 1942, for packing a food product not listed in this Schedule I, may use an equal number of closures during the year 1943 for packing the products listed in this schedule, in addition to the quotas respectively specified.

B. Wherever the asterisk appears the packing quota relates to the number of closures and cans used for packing the applicable product.

C. Notwithstanding the provisions of paragraph (d) (4) of this order, the respective quotas specified for items 3 and 6 under Fruits and item 6 under Milk and Dairy Products shall include pack required to be set aside by any order of the Director General for Operations for purchase by government agencies.

D. No product packed in a can shall be repacked for sale in a glass container, by the same or a different person, in the same or a different form, except to the extent specifically permitted in this schedule.

E. Split year items such as "1941-2" appearing in the column "1943 Packing Quota" refer to specified seasonal year base periods to be used in computing permitted packs for subsequent seasonal years.

Product	1943 packing quota	Closure material indicated by X		
		Tinplate	Black-plate	Rubber
VEGETABLES AND VEGETABLE PRODUCTS				
1. Asparagus, green	Unlimited	X	.....	X
2. Beans, with or without pork	25% 1941*	X	.....	.....
3. Beans, fresh, including green, wax, lima, green soybeans, and fresh shelled beans	Unlimited	X	.....	X
4. Beets, including pickled beets. No whole beets larger than U. S. Standard ruby (medium) to be packed	200% 1942-3	X	.....	X
5. Carrots. Whole carrots not to be packed	150% 1942	X	.....	X
6. Corn, fresh, sweet, cut	Unlimited	X	.....	X
7. Peas, fresh, green	Unlimited	X	.....	X
8. Spinach, and other green leafy vegetables limited to beet, collard, dandelion, kale, mustard, polk, and turnip greens.	300% 1941	X	.....	X
9. Tomatoes	Unlimited	X	.....	X
10. Tomato catsup and chili sauce, containing not less than 10.7 per cent (specific gravity 1.045) or more than 25 per cent, by weight, dry tomato solids:				
Closures without rubber	200% 1942	X	.....	.....
Closures with rubber	150% 1942	X	.....	X
11. Tomato paste, containing not less than 25 per cent, by weight, dry tomato solids	50% 1942*	X	.....	X
12. Tomato pulp or puree, containing not less than 10.7 per cent (specific gravity 1.045) or more than 25 per cent, by weight, dry tomato solids.	100% 1942	X	.....	X
13. Tomato sauce, including spaghetti sauce containing not less than 8.7 per cent (specific gravity 1.037) by weight, dry tomato solids, and not less than 10.0 per cent (specific gravity 1.042) by weight, total dry solids, salt free. In addition to salt, the contents may contain pepper, spice oils, and other flavoring ingredients.	100% 1942*	X	.....	X
14. Vegetables, dehydrated	Unlimited	.....	X	.....
15. Vegetable juices, or mixtures thereof, undiluted, except for the addition of sweetening or seasoning	Unlimited	X	.....	.....
NOTE: When required for packing other products, tomato paste, tomato pulp or puree, tomato sauce, and tomato juice may be repacked from reusable cans, 5 gallon or larger.				

Product	1943 packing quota	Closure material indicated by X		
		Tinplate	Blackplate	Rubber
FRUITS				
1. Apples, including crabapples; whole apples not to be packed	10% 1941–2*	X		X
2. Applesauce, including sauce from crabapples	10% 1941–2*	X		X
3. Apricots. Packing quota includes pack required to be set aside by any order of the Director General for Operations for purchase by government agencies.	100% 1942	X		X
4. Blackberries, black raspberries, boysenberries, dewberries, elderberries, gooseberries, loganberries, red raspberries, and youngberries.	225% 1942	X		X
5. Cherries, red sour pitted and sweet	200% 1942	X		X
6. Figs. Packing quota includes pack required to be set aside by any order of the Director General for Operations for purchase by government agencies.	100% 1942	X		X
7. Fruit cocktail, consisting of any combination of fruits listed in this Schedule I and grapes and pineapple: *Provided*, That the combination, by drained weight, shall consist of not less than 50 per cent fruits listed in this Schedule I and may consist of not to exceed 10 per cent grapes. Pineapple may be repacked from No. 10 or larger cans to the extent of 7 per cent of the fruit cocktail.	Unlimited	X		X
8. Olives, ripe or green ripe, whole or minced	75% 1941–2*	X		X
9. Peaches, clingstone, halves, segments, or slices	Unlimited	X		X
10. Peaches, freestone, halves, segments, or slices. Not to be packed in California	Unlimited	X		X
11. Pears. Whole pears, except seckle pears, not to be packed	Unlimited	X		X
12. Plums	150% 1942	X		X
13. Prunes, fresh Italian	200% 1942	X		X
FRUIT PRODUCTS				
1. Fruits, crushed	100% 1942*		X	
2. Fruit butters, conserves, jams, jellies, marmalades, and preserves	100% 1942	X		X
3. Fruit juices or mixtures thereof, other than grapefruit juice, undiluted except for the addition of sweetening	100% 1942*	X		X until 3/31/43
4. Grapefruit juice	100% 1942*	X		X
5. Fruit concentrates, liquid, when concentrated on a ratio of 5 or more to 1	100% 1942*	X		X
6. Fruit concentrates, dry	Unlimited		X	
7. Nectars	100% 1942*	X		
8. Pectin, liquid	100% 1942*		X	
MEATS AND MEAT PRODUCTS				
1. Beef, dried	75% 1941	X		
2. Chicken, boned, and turkey, boned	50% 1942*	X		X
3. Chili con carne, when packed without beans and containing not less than 50 per cent meat, by uncooked weight, exclusive of added tallow.	25% 1942*	X		X
4. Corned beef hash	100% 1941*	X		
5. Lamb's tongue, pickled	100% 1942	X		
6. Meat loaf, containing not less than 90 per cent meat, by uncooked weight and no added water. When packed as a chopped product, meat loaf may contain not more than 10 per cent of the following ingredients: cereal, whole milk, eggs, and seasoning.	25% 1942*	X		X
7. Meat spreads, including ham, tongue, liver, beef, and sandwich spreads. When packed as a spread, the chopped product shall contain not less than 65 per cent meat, by cooked weight, with added cereal or other products. When packed as deviled ham or deviled tongue, the product shall consist of chopped meat without added cereal or other products.	25% 1942*	X		X
8. Chopped luncheon meats, consisting of chopped, seasoned meat with not to exceed 3 per cent added water, by weight.	25% 1942*	X		X
9. Mince meat, fresh apples only	100% 1942		X	
10. Pig's feet and cutlets, pickled, semi-boneless	100% 1942	X		
11. Sausage in casings, Vienna style, containing no cereal or similar substance and not to exceed 10 per cent added water, by weight.	100% 1942	X		X
12. Tongue	100% 1942*	X		X
FISH AND SHELLFISH				
1. Clams, soft, hard, or razor	100% 1942	X		X
2. Clam broth	100% 1942*	X		
3. Crabmeat	100% 1942	X		X
4. Fish flakes, except dried fish flakes	100% 1942	X		X
5. Fish, pickled	Unlimited	X		
6. Fish pastes, including shellfish paste	100% 1942*		X	
7. Lobsters, including spiny lobsters	100% 1942*	X		X
8. Oysters	100% 1942	X		
9. Shrimp	100% 1942	X		X
SOUPS				
Seasonal: Limited to soups which shall contain not less than 7 per cent, by weight, or dry solids; from any one or more of the following fresh unfrozen vegetables: asparagus, peas, spinach, tomatoes.	Unlimited	X		
Non-seasonal: Limited to the following kinds of soup which shall contain not less than the specified percentage, by weight of dry solids from fresh, brined, or frozen vegetables, meats, or other products listed in Schedules I or II, in Order M–81, provided that no person shall use for packing such soups, more than 35 per cent by weight, of the frozen vegetables which he used for this purpose during 1942.	75% 1942*	X		

Product	1943 packing quota	Closure material indicated by X		
		Tinplate	Black-plate	Rubber
MILK AND DAIRY PRODUCTS				
1. Cheese spreads, processed	100% 1942	X		
2. Cheese spreads, unprocessed (e. g. limburger)	100% 1942	X		
3. Condensed milk, sweetened, as defined by the Federal Security Administration, July 2, 1940, paragraph 18,525, page 2444, Federal Register, and 18,530, page 2445, as amended, Federal Register, August 8, 1941, pages 3073 and 3074.	100% 1942*	X		
4. Cultured milk—"Cultured milks" as classified herein refers only to those cultured or fermented milk or skim milk products which develop pressure within the container (glass bottles) due to fermentation which is produced by the addition of certain materials to milk or skim milk such as sugar, yeast, cultures, and the like.	100% 1942		X	
5. Fluid milk, with or without flavoring. Quota: Until 3/1/43 100 percent, and until 6/30/43 50 per cent of corresponding period of 1941.	See product column.		X	
6. Ice cream mix, dry. Packing quota includes pack required to be set aside by any order of the Director General for Operations for purchase by government agencies.	50% 1942*	X		X
7. Malted milk, including chocolate milk, dry	Unlimited		X	
SYRUPS AND HONEY				
1. Syrups—blended, bottlers, cane, corn, maple, molasses, sorghum, malt	100% 1942*		X	
2. Chocolate or cocoa syrup	100% 1942*		X	
3. Honey	Unlimited		X	
OLIVES, PICKLES, RELISHES, CONDIMENTS, AND SAUCES				
1. Pickles, piccalilli, and relishes	100% 1942	X		
2. Mustard	100% 1942	X		
3. Green olives	100% 1941	X		
4. Horseradish	100% 1942	X		
5. Sauces—beefsteak, cooking, soya, tobasco, and worcestershire	100% 1942	X		
EDIBLE OILS AND DRESSINGS				
1. Dressings—Mayonnaise, Russian, salad and Thousand Island	125% 1942		X	
2. French dressing	100% 1942	X		
3. Oil, edible liquid	125% 1942*		X	
4. Sandwich spread, other than meat spreads	125% 1942		X	
5. Tartar sauce	100% 1942		X	
MISCELLANEOUS FOODS				
1. Baby foods: Consisting of food products of small particle size or in liquid or semiliquid form made from the following ingredients: fruits (except dried apricots, dried pears, dried peaches, dried or dehydrated apples); vegetables; meats; poultry products; dairy products; sugar; salt or seasoning; yeast or yeast derivatives. Frozen fruits and vegetables may be used, provided that no person shall use more than 35 per cent, by weight, of the amount which he used for baby foods in 1942. Potatoes and cereals may be used only in combination with other permitted products, and only provided the combined potato and cereal content does not exceed 12 per cent, by weight, of the total product. Pineapples from No. 10 cans and tomato products from 5-gallon reusable cans may be used in packing baby foods.	125% 1942	X		X
Formulas—dry or liquid	125% 1942*		X	
2. Cherries, maraschino	100% 1942		X	
3. Baking powder	100% 1942*		X	
4. Dyes, certified colors	75% 1942		X	
5. Extracts	100% 1942	X		
6. Malt, dry	100% 1942*		X	
7. Milk fortifiers	100% 1942		X	
8. Nut butters	150% 1942		X	
9. Soups, dehydrated	100% 1942		X	
10. Spice	100% 1942		X	
11. Vinegars	100% 1942	X		
12. Special food products, for human consumption only, limited to foods other than usual table foods. Quota: No person shall pack any special food product unless he packed the product in substantially the same form in 1942, and unless he obtains prior permission upon application to the War Production Board.	(1)	(1)	(1)	(1)

[1]See product column.

Editor's Note—Schedules II, III, IV, and V of this order, which deal respectively with drug products closures, chemicals, household and industrial supply closures, beverage closures, and home canning closures, are not reproduced in the LETTER.

Food Stamp Program Ends March 1

Suspension of the Food Stamp Program, effective March 1, probably for the duration of the war, has been announced by the Department of Agriculture. At the same time it was announced that the Department's program of providing foods for community school lunches and child day-care centers will be continued.

Food Products Not Included in Inventory Order

Inventories of food products are not included in the consumer goods covered by the War Production Board's order, L-219, issued December 29. The order limits the quantities of consumers' goods carried as inventories in the hands of large retailers, wholesalers, and stock-carrying branches of manufacturers.

TAX LAW AMENDMENTS ARE CONSIDERED

Legislative Committee Seeks to Prepare Program For Presentation to Congress

During the recent Food Processors Conference in Chicago considerable attention was given by the Legislative Committee of the National Canners Association to the effect of the Revenue Act of 1942 upon canning operations, both currently and during the post-war period. The problems raised at the Legislative Committee meeting revealed the necessity for considerable study of the entire Revenue Act and the importance of presenting amendments to the proper committees of Congress to cushion the impact of anticipated post-war deflation of inventories. The Legislative Committee recommended to the Board of Directors the appointment of a Committee on Taxation which would report directly to the Board. This suggestion was approved by the Board and the committee was appointed, composed of Walter L. Graefe, E. B. Cosgrove, Carl N. Lovegren, Clifton M. Miller and William B. Stokely, Jr.

It is believed that members of the industry will be particularly interested in suggestions made by Mr. Miller, who has devoted considerable time to a study of the impact of the Revenue Act of 1942 upon the canning industry, and who reviewed, both before the Legislative Committee and at the Board meeting, the conclusions he had reached as a result of that study.

During the fall of 1942, Mr. Miller discussed with Senator George of the Senate Finance Committee a proposal whereby canners would be permitted to establish reserves, held in Treasury certificates, to be used for inventory liquidation after the close of the war. Earnings placed in such reserve would be tax-free except for any unused balance remaining at the end of a two-year period following the cessation of hostilities.

It is understood that the Treasury Department had initially considered a general inventory reserve plan but had abandoned it because of the difficulty of defining inventories for all types of industry, particularly in merchandising and retail operations. In view of this fact, and the results of further study, Mr. Miller suggested that consideration of the inventory reserve plan be deferred and present action directed toward perfecting the operating loss carry-back section of the present tax law—Section 153 of the Revenue Act of 1942.

Section 153 amends Section 122 of the Internal Revenue Code and, for the first time, permits a taxpayer to carry back for two years (but not prior to 1941) any net operating losses occurring during the taxable year. Any net operating loss for any taxable year which is not used as a carry-back may be carried forward to the two succeeding taxable years. The practical effect of this section is to establish a five-year period during which corporate earnings are leveled out. Section 204 of the Revenue Act of 1942 (amending Section 710(c) of the Internal Revenue Code) permits a similar carry-back of unused excess profit credit.

Experience during the last war, Mr. Miller suggested, points to the possibility of a financial debacle unless careful provision is made for the liquidation of excessive, high-cost inventories. It is possible that the termination of the war will find the canners in possession of large high-cost inventories and the Government likewise in possession of enormous inventories which it will be forced to liquidate during a period of fluctuating inventory values and possible post-war deflation. It is believed that the Treasury recognizes the need for providing funds for post-war adjustment through plant conversion, for resumption of the manufacture of civilian goods, and for the orderly liquidation of high-cost inventories.

Mr. Miller pointed out that in the 1942 Revenue Act there is no provision for setting up reserves against a decline in inventory values (such as followed the last war) and any reserves which may be set up are subject to income tax, surtax, and excess profits tax. Thus, canners are prevented from building up adequate reserves or making substantial additions to working capital.

Mr. Miller suggested that the two-year carry-back of net operating losses and the two-year carry-back of unused excess profits credit might well be utilized by canners during the two years immediately following the cessation of hostilities to cushion the effect of a rapid price decline. Assuming the war's end in 1944 and a large net operating loss during that year, a canner might recover all or a portion of that loss out of taxes paid during 1942 and 1943. Mr. Miller pointed out, however, that the relief afforded by these two provisions is open to several objections: (a) the fiscal year must be completed before net operating losses may be determined; (b) a claim for refund must be filed with the Treasury Department, involving delay in receiving cash benefits; (c) the Treasury Department may object to refunding large sums at a time when the Treasury may be unable to sustain a large drain on its funds, and (d) the taxpayer's relief is limited to the amount of taxes which he has actually paid into the Treasury during the preceding two-year period. There is the further possibility that future Congresses might repeal these sections of the Revenue Act and remove any anticipated benefits.

In order to offset these objections Mr. Miller recommended that consideration be given to three possible amendments to the Revenue Act of 1942:

1. In order to avoid delay in obtaining prompt payment of the refund claims and to provide canners with immediate capital for financing the next season's pack, the net operating loss refund claims could be made payable in short-term Treasury certificates. This might accelerate the payment of refund claims by the Treasury and provide the canners with immediate operating capital through hypothecation.

2. If the war were to continue for some years and profits were to be greatly curtailed, the fund from which operating losses could be recovered would be greatly reduced (since refunds are payable only from actual tax payments made during the two preceding years by the canner). The section relating to the carry-back of net operating losses might be amended to permit net operating losses to be carried back to the years of high tax payments such as 1941 or 1942, in lieu of the "two preceding years" only.

3. An entire new section might be added to the Revenue Act of 1942 to permit fruit and vegetable canners to set up true tax-free inventory reserves.

The Committee on Taxation will seek to develop a tax program for the Association to present to the forthcoming session of Congress.

Sixty-day Ceiling Imposed on Peanut Butter

A temporary 60-day ceiling at each individual seller's peak sales figure during the December 19 to 23 period, has been imposed on peanut butter by the Office of Price Administration. This action was taken through the medium of Temporary Maximum Price Regulation No. 25, which became effective December 29, and which applies not only to peanut butter but to shelled and salted peanuts as well. These commodities have been exempt from price control since July 29.

During the next two months, OPA announces, it will conduct studies and consult with the industry with a view to formulating a permanent regulation. Exempt from the temporary price order are sales or deliveries made directly by any farmer of shelled peanuts, salted peanuts, or peanut butter, grown and processed on his farm.

New Schedule of State Association Meetings

As reported in last week's INFORMATION LETTER, the Government requested that meetings of State associations, arranged between government officials and the secretaries at the Processors' Conference in Chicago, and announced in the December 22 LETTER, be postponed approximately three weeks.

Government officials have announced that the following schedule of meetings has been arranged. In some cases the meetings of the associations will be for more than one day, but to maintain their schedule the government officials will be present only on the date shown.

Eastern Group

Tri-State Packers Association—January 26, Benjamin Franklin Hotel, Philadelphia, Pa.
Pennsylvania Canners Association—January 27, York.
Wisconsin Canners Association—February 1, Schroeder Hotel, Milwaukee.
Michigan Canners Association—February 2.
Indiana Canners Association—February 3, Claypool Hotel, Indianapolis.
Ohio Canners Association—February 4, Columbus.
Association of New York Canners, Inc.—February 5, Buffalo.

Western Group

Northwest Canners Association—January 28, Portland, Ore.
Canners League of California—January 30, San Francisco.
Utah Canners Association—February 2, Ogden.
Iowa-Nebraska Canners Association—February 4, Des Moines, Iowa.
Minnesota Canners Association—February 5, Minneapolis.

Southern Group

Georgia Canners Association—January 25, Macon.
Florida Canners Association—January 26, Tampa.
South Texas Canners Association—February 1, Weslaco.
Ozark Canners Association—February 3, Springfield, Mo.
Tennessee-Kentucky Canners Association—February 6.
Virginia Canners Association—February 8, Hotel Roanoke, Roanoke.

In addition to the above meetings, the Maine Canners Association will hold their annual meeting on February 1, at the Eastland Hotel, Portland, Maine; and a group of canners from Alabama, Mississippi, and Louisiana will meet in New Orleans on January 28. Government officials also will be present at these two meetings.

1942 CORN PACK LARGEST ON RECORD

Total of 33,147,054 Cases Represents Increase of Six Million Over Last Year

The 1942 pack of canned sweet corn, exclusive of corn on the cob, totaled 33,147,054 actual cases, according to figures compiled by the Association's Division of Statistics. This is the largest pack of canned sweet corn on record, being more than six million cases larger than the record pack of 1941. States showing the largest gains in their 1942 packs over 1941 were Maryland, Delaware, Ohio, Indiana, Illinois, Minnesota, and Iowa-Nebraska.

The Division's report covers all canners known to have been packing in 1942 and includes an estimate for three canners. The total estimated represents less than 1 per cent of the pack.

In addition to this pack, a pack of corn on the cob was reported which totaled 173,000 cases, of which 36,000 were packed in the East and 137,000 cases in the West. This compares with 763,681 cases of corn on the cob packed during 1941.

The following table presents the pack of canned corn by regions:

State	1941 *Actual Cases*	1942 *Actual Cases*
Maine and Vermont	1,389,724	1,465,694
New York	1,468,415	1,674,783
Maryland and Delaware	2,418,198	3,052,973
Pennsylvania	728,320	795,555
Ohio	1,550,307	2,040,147
Indiana	1,810,797	2,848,151
Illinois	4,839,445	5,502,282
Wisconsin	3,192,970	3,612,966
Minnesota	5,244,549	6,064,749
Iowa and Nebraska	2,799,736	4,162,198
Other States—East	340,143	363,714
Other States—West	1,265,241	1,563,842
Total	27,047,845	33,147,054

In the following table is presented the breakdown of the 1942 pack as to white and yellow varieties, by States:

State	White *Actual Cases*	Yellow *Actual Cases*	Total *Actual Cases*
Maine and Vermont	107,518	1,358,176	1,465,694
New York	16,023	1,658,760	1,674,783
Maryland, Delaware	1,639,276	1,413,697	3,052,973
Pennsylvania	286,778	508,777	795,555
Ohio	1,132,356	907,791	2,040,147
Indiana	1,272,713	1,575,438	2,848,151
Illinois	2,057,608	3,444,674	5,502,282
Wisconsin	314,313	3,298,653	3,612,966
Minnesota	131,676	5,933,073	6,064,749
Iowa, Nebraska	2,690,694	1,471,504	4,162,198
Other States—East	284,834	78,880	363,714
Other States—West	167,360	1,396,482	1,563,842
Total	10,101,149	23,045,905	33,147,054

Filing of M-86 and M-86-e Certificates

Howard Hamilton, administrator of the canned food reservation orders, has pointed out that canners are not required to file new certificates with can manufacturers as a result of the issuance, December 9, of amendments to M-86 and the new quotas established in M-86-e. However, should canners desire to make purchases from can manufacturers with whom they have not filed certificates in the past, the filing of a certificate, of course, will be necessary.

CANNED CITRUS JUICE SUPPLY FROZEN

Production Reserved for U. S.; Unconcentrated Grapefruit Juice Sales Suspended

Canners are prohibited from selling unconcentrated grapefruit juice during the remainder of January and through February and March, under terms of an order issued January 6 by Secretary of Agriculture Claude R. Wickard. The same order reserves for war requirements the production of all citrus juices except unconcentrated grapefruit juice.

As stated in the press release which accompanied the order, the "purpose of the regulation is to insure adequate supplies of the canned citrus products for government requirements and to conserve tinplate by requiring civilians to utilize most of these citrus fruits in fresh rather than canned form. More than half of the production of canned grapefruit juice will be available to consumers, but the entire production of all other citrus juices, both concentrated and unconcentrated, will be utilized for war needs."

The restrictions on canners' sales of unconcentrated grapefruit juice became effective on January 6, and other provisions of the order on January 9, 1943.

The freeze of canners' stocks of grapefruit juice for the 3-month period is to encourage increased civilian consumption of fresh grapefruit while large supplies of the fresh fruit are available, it was stated. This will provide for larger civilian stocks of the canned juice later when fresh grapefruit supplies are seasonally smaller. Supplies of grapefruit juice now in the hands of wholesalers and retailers are not affected by the freeze regulation.

The order does not materially alter the amount of civilian supplies for 1943, stated the Department. Virtually all of the concentrated juices already are being purchased by the government to meet war requirements. Previous orders by the War Production Board restrict the amount of tinplate available for canning all unconcentrated juices, except grapefruit, and also specify that the entire canned pack of these products be reserved for the government.

The order prohibits the packing of citrus juices (except grapefruit) for commercial sale in *any* type of container suitable for storage or shipment. The order does not preclude the preparation and sale of citrus juices by hotels, restaurants, etc., or by concerns that customarily supply such institutions and consumers with fresh citrus juices.

The order, Food Distribution Order No. 3, will be administered by the Food Distribution Administration. Its text is as follows:

Food Distribution Order No. 3—Citrus Fruit Juice

Pursuant to authority vested in me by Executive Order No. 9280, issued December 5, 1942, and in order to assure an adequate supply and efficient distribution of citrus fruit juice, it is hereby ordered as follows:

Section 1405.1 *Citrus Fruit Juice*

(a) Definitions.

For the purposes of this order: (1) "Single-strength juice" means the natural juice as extracted from oranges and lemons, sweetened or unsweetened, or any combination of such natural juice with any other citrus juice, packed in any closed container suitable for storage or shipment.

(2) "Concentrated juice" means the juice extracted from oranges, grapefruit, or lemons, treated and processed in such manner as to increase the density to more than 20° Brix at 20° Centigrade.

(3) "Canned grapefruit juice" means the natural juice as extracted from grapefruit, sweetened or unsweetened, packed in any closed container suitable for storage or shipment.

(4) "Government war contracts" means sales contracts of any type entered into between a manufacturer directly, or indirectly through third parties, and a government agency.

(5) "Person" shall include a person, firm, corporation, association, or any other business unit.

(6) "Processor" means any person in the business of extracting juice from fresh oranges, grapefruit, or lemons for processing and packing for shipment as single-strength or concentrated juice, or as canned grapefruit juice.

(7) "Director" means the Director of Food Distribution, United States Department of Agriculture, or any employee of the United States Department of Agriculture designated by such Director.

(8) "Government agency" or "Government agencies" means and includes the Army, Navy, Marine Corps, Coast Guard, War Shipping Administration, United States Maritime Commission, or any agency of the United States purchasing supplies for the foregoing, for the American Red Cross, or for delivery to or for the account of the government of any country pursuant to the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States" (Lend-lease Act).

(9) "Deliver" or "delivery" means delivery pursuant to a contract of sale.

(b) Restrictions on production, sale, and delivery of citrus fruit juice.

(1) On and after January 9, 1943, without regard to existing contracts, no processor shall produce any concentrated juice other than concentrated juice meeting the specifications prescribed either by the procurement division of any government agency or by a government war contract with such processor.

(2) Without regard to existing contracts, no processor shall sell or deliver, and no State or any subdivision thereof, no department or agency of the United States, and no person shall buy or receive any concentrated juice produced after January 9, 1943, except pursuant to a government war contract.

(3) Without regard to existing contracts, on or after January 9, 1943, no processor shall produce any single-strength juice, except pursuant to a government war contract: *Provided*, that single-strength juice may be produced in the quantity specified in and subject to the restrictions of War Production Board Conservation Order M-86 and supplements thereto, as amended.

(4) Without regard to existing contracts, during the period beginning January 6, 1943, and ending March 31, 1943, no processor shall sell or deliver, and no State or any subdivision thereof, no department or agency of the United States, and no person shall buy or receive other than for transportation or storage from any processor any canned grapefruit juice, except pursuant to a government war contract.

(c) Records and Reports.

All persons, affected by this order shall maintain such records for such periods of time, and shall execute and file such reports and submit such information as the Director may from time to time request or direct, and within such times as he may prescribe.

(d) Audits and Inspections.

Every processor and any other person to whom this order applies shall permit inspections of his stocks of single-strength and concentrated juice and canned grapefruit juice, of his premises used for the manufacture or storage of single-strength or concentrated juice or canned grapefruit juice, and of his books, records, and accounts by the Director.

(e) Petition for relief from hardship.

Any person affected by this order who considers that compliance herewith would work an exceptional and unreasonable hardship on him may apply in writing for relief to the Director, setting forth, in said petition, all pertinent facts and the reasons for such petition being approved. The Director may, upon the basis of such application and other information, take such action as he deems appropriate, and such decision by the Director shall be final.

(f) Violations.

Any person who wilfully violates any provision of this order or, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime and, upon conviction, may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of or from processing or using material under priority control and may be deprived of priorities assistance.

(g) Communications.

All reports required to be filed hereunder and all communications concerning this order shall, unless otherwise directed, be addressed to the United States Department of Agriculture, Food Distribution Administration, Washington, D. C., Ref: FD 4.

(h) Delegation of Authority.

The Director is hereby designated to administer the provisions hereof.

(i) Effective date.

This order shall be effective on January 6, 1943.
Issued this 5th day of January, 1943.

CLAUDE R. WICKARD,
Secretary of Agriculture.

ODT Urges Early Truck Fuel Adjustments

The Office of Defense Transportation on January 6 urged farmers and other truck operators to lose no time in getting in touch with their County Farm Transportation Committees or ODT field representatives, if their fuel and mileage allotments require adjustment.

Operators who put off too long applying for necessary adjustment of their Certificate of War Necessity allotments may be unable to obtain fuel for their vehicles later on, the ODT warned.

The present procedure under which temporary transport rations may be issued by local War Price and Rationing Boards without specific authorization from the ODT expires January 15. After this date, no operator will be able to obtain fuel coupons without either a certificate or other authorization from the ODT stating that an application for adjustment of a Certificate of War Necessity allotment has been filed with ODT.

MAXIMUM PRICES FOR FRESH CITRUS

Packers' Ceilings Established in Order Covering Five Products in Four States

Maximum prices for citrus fruits grown in the four principal citrus producing States, have been established by the Office of Price Administration at all levels between the grower and the retailer.

The maximums at the packer level are in dollars and cents, based on grower minimums guaranteed under the Emergency Price Control Act. These ceilings vary as to area of production, season of the year, and type of packing. In general, the maximum prices will change seasonally on the various citrus fruits two or three times a year, following the customary price pattern.

Prices at successive levels of distribution are controlled by fixed mark-ups over the packers' dollars and cents ceilings. Intermediate sellers will compute their prices weekly to take account of any changes in freight or icing charges.

Retail prices are established by Maximum Price Regulation No. 286 (Sales of Certain Perishable Food Commodities at Retail), which was issued by OPA on January 7.

The new packer and distributor ceilings are established in Maximum Price Regulation No. 292 (Sales of Citrus Fruits by Packers, Brokers, Auction Markets, Terminal Sellers and Intermediate Sellers) effective January 11, 1943. It applies to grapefruit, lemons, oranges, tangerines and temple oranges, grown in Florida, Texas, Arizona and California. Citrus fruits grown outside these States and citrus fruits such as limes and kumquats not covered by the new regulation, remain under MPR No. 280.

In line with the requirements of the amended Emergency Price Control Act, which provides that no maximum shall be established which does not reflect to the growers of fruits and vegetables the higher of (1) the parity or comparable price adjusted for grade, location and seasonal differentials, or (2) the highest price received by the producers from January 1, 1942, to September 15, 1942, the citrus maximums reflect:

For oranges, tangerines and temple oranges, the comparable price published by the Department of Agriculture, adjusted by States and for seasons; for grapefruit, the highest price received by producers from January 1 to November 15, i. e., the national average of prices on September 15, similarly adjusted; and for lemons, the parity price similarly adjusted.

On this basis the dollar and cent maximum prices are established for the packer, f. o. b. packing house. The packer's delivered maximum is his f. o. b. packing house price plus freight and refrigeration, if any.

Typical maximum prices of packers, f. o. b. packing house for citrus fruit packed unwrapped in standard wooden boxes;

For California oranges in the season of November 16 to April 30, $3.38 per box; Arizona oranges, same season, $3.01; Florida (interior) and Texas oranges, in the season from November 16 to March 15, $3.06.

For California grapefruit, season May 1 to October 31, $2.23 per box; Arizona, white, year-round, $2.14; Florida (interior) seedless, season November 16 to March 15, $2.38; Texas white, season November 16 to March 15, $2.07.

In the press release accompanying the text of MPR No. 292, the following examples of typical prices for different types of sales covered by the order were given:

Types of Sales	Oranges		Grapefruit
	Fla. to N. Y.	Calif. to N. Y.	Tex. to Chi.
	Dollars per standard wooden box		
Maximum price f. o. b. packing house	$3.14	$3.43	$2.18
Freight and refrigeration	1.00	1.35	1.00
Maximum price delivered at terminal market	4.14	4.78	3.18
Maximum price for terminal seller (4.14 x 1.015)	4.20		
Maximum price for first cash-and-carry wholesaler (4.14 x 1.095)	4.53		
Maximum price at auction (4.78 plus .09)*		4.87	
Maximum price for first service wholesaler (4.87 x 1.21)		5.89	
Maximum price for second service wholesaler (4.87 x 1.32)		6.42	
Maximum price for terminal seller (3.18 x 1.015)			3.23
Maximum price first cash-and-carry wholesaler (3.18 x 1.095)			3.48
Maximum price for second cash-and-carry wholesaler (3.18 x 1.20)			†3.82
Maximum price for first service wholesaler (3.18 x 1.21)			3.85
Maximum price for second service wholesaler (3.18 x 1.32)			†4.20

*Maximum auction price assuming auction charge to be 9 cents. †The citrus fruit may be sold by as many intermediate sellers as desired, but no intermediate seller may exceed the maximum price set for his class. For example, if the citrus fruit is handled by two cash-and-carry wholesalers, both, must sell within the limits of the one mark-up permitted for that class.

Field Ration Price Exemption Is Extended

Pending further standardization and stabilization of the contents of certain Army field rations, the Office of Price Administration announced January 1 the extension until April 1, 1943, of the period of temporary exemption for these products from price control. The period of exemption originally had been scheduled to end January 1, 1943.

OPA's action, taken through Amendment No. 3 to Maximum Price Regulation No. 156 (Certain Beef and Beef Products Purchased by Certain Federal Agencies), and Amendment No. 16 to Revised Supplementary Regulation No. 4, covers Army field Rations B, C, D, J, K and M; Mountain Ration; 5-in-1 Ration; Bail-Out Ration; Rations 1, 2 and 3 (12-ounce can); corned beef hash (5½-pound can); meats and vegetable stew (30-ounce can); meat and vegetable hash (6-pound, 12-ounce can); chili con carne (6-pound, 8-ounce can).

These had been exempted from the General Maximum Price Regulation because the armed forces needed large quantities of rations at a time when an extension of generalized price control might have threatened to reduce the availability of supplies ample to meet military needs, and because the tentative character of the specifications laid down for these rations made it impossible to impose fixed price ceilings.

Although the rations have been further standardized, full stabilization has not been achieved at this time and OPA believes that a general imposition of ceiling prices would still be premature. The amendments became effective December 31.

RESTRICTIONS ON CANNERS' DELIVERIES REMOVED

(Concluded from page 7415)

Order M-237 was published on page 7315 of the October 31 INFORMATION LETTER. The January 7 amendment changes the paragraph on delivery restrictions only, substituting for it the following text:

(b) Restrictions on delivery. (1) No canner shall deliver any restricted canned foods to any wholesale receiver who he knows or has reason to believe under the terms of this order is not entitled to receive the same.

(2) Except as permitted in paragraph (3), any wholesale receiver who between August 1, 1942, and April 1, 1943, has accepted or shall have accepted delivery of restricted canned foods of any group equaling or exceeding the following percentage of his base figure

	Per cent
for group I	70
for group II	80
for group III	80

shall not sell, deliver or use such excess of such group, and shall not accept delivery of any further restricted canned foods of such group. The base figure for each wholesale receiver for each group shall be, at his option, either the total of his acceptances of delivery, or of his sales, between January 1, 1942, and August 31, 1942, of all canned foods listed in such group, whenever packed. Canned foods for resale to non-quota purchasers or to replace in the wholesale receiver's inventory material so sold are subject to the limitations of this sub-paragraph unless evidence is furnished to the canner as prescribed in paragraph (a) (4) (vi).

(3) Notwithstanding the restrictions of paragraph (2), any wholesale receiver who on January 7, 1943, or at any time thereafter, has in his possession or under his control less than the following percentages of his base figure

	Per cent
for group I	25
for group II	25
for group III	25

may accept delivery of a quantity of restricted canned foods of each group sufficient when added to the quantity in his possession or under his control, to equal the percentages hereinabove stated.

(4) No wholesale receiver may deliver during the month of November, 1942, and during each of the following months, more restricted canned foods of any group than monthly quotas constituting the following percentages of his base figure

	Per cent
for group I	9
for group II	10
for group III	10

The base figure shall be calculated as prescribed in paragraph (b) (2). If during November, 1942, any wholesale receiver has delivered restricted canned foods of any group in excess of his permitted monthly quota for that group, he shall charge such excess against his quotas for December and January. Not less than 50 per cent of such excess must be charged against the December quota. Deliveries to non-quota purchasers are not required to be charged against the monthly quota percentage prescribed by this paragraph (b) (4), if in calculating his quotas the wholesale receiver deducts deliveries to non-quota purchasers during the base period from the base figure. The restrictions of this paragraph (b) (4) shall expire on April 1, 1943, unless extended by further order of the Director General for Operations.

This amendment of Order M-237 does not change the status of sauerkraut frozen under Order M-245, nor canned grapefruit juice frozen under Food Distribution Order No. 3, which is presented on page 7422.

AMENDMENT TO M-81 IS ISSUED

Prescribes Body and End Materials for Bean, Pea, Corn and Salmon Cans

The War Production Board on January 4 amended Conservation Order M-81, as amended December 9, 1942, so as to permit the use of hot-dipped plate to the extent necessary in cans for packing specified vegetables and fish until electrolytic mills are in a position to increase production of electrolytic plate.

The order as amended January 4 provides that the bodies of cans for (1) fresh shelled beans, including lima beans, (2) fresh, sweet, cut corn, and (3) green peas may be of 1.25 tin, but that 0.50 tin shall be used to the greatest extent available; ends may be of 1.25 tin but chemically treated blackplate shall be used to the greatest extent available. For salmon the order as amended specifies 1.25 tin for bodies. For ends, 1.25 tin may be used but 0.50 tin is required to the greatest extent available.

Other amendments to the order relate to containers for baking powder, fresh oysters for refrigerated shipment, lye, and drain cleaners. Unlimited packing of oysters in one-gallon cans made of chemically treated blackplate is permitted until April 30, and this, it is stated, will provide enough cans for the entire 1942-43 pack.

The order of December 9, 1942, appears on pages 7372-6 of the INFORMATION LETTER for December 10. For items 24, 27, 28, and 52 in Schedule I appended to this order, the following should be substituted:

Product	Packing quota	Can sizes	Can materials	
			Body	Ends
24. Fresh shelled beans, including lima beans	Unlimited	2-2½-10	1.25 tin*	1.25 tin**
27. Corn, fresh, sweet, cut	Unlimited	2-10-2 vacuum (307 x 306) for vacuum pack.	1.25 tin*	1.25 tin**
28. Peas, green	Unlimited	2-10-2 vacuum (307 x 306) for vacuum pack.	1.25 tin*	1.25 tin**
52. Salmon	Unlimited	½ flat (307 x 200.25) (307 x 201.25)-1 flat (401x210.5) (401x211) 1 tall (301x411).	1.25 tin	1.25 tin*

New Spice Quotas Established by WPB

Improvement in imports has enabled the War Production Board to increase the supply of cloves and ginger for packers, wholesalers, and industrial users, under terms of Supplementary Order M-127-b, as amended January 4. However, a reduction in imports made it necessary to cut the cassia (cinnamon) quota from 60 to 50 per cent. No changes are made in the quotas of black pepper, mace, nutmeg, pimento, and white pepper, the other spices governed by Order M-127-b.

Effective January 1, 1943, the quarterly cloves quota was increased from 90 to 100 per cent and ginger quotas from 100 to 115 per cent of deliveries, acceptances, or use in the corresponding quarter of 1941. The increase rescinds the cut in the cloves quota made on September 25, 1942.

Details of the spice quotas are shown in the following table:

Spice	Jan. 1, 1943*	Sept. 25, 1942*
Black pepper	90	90
Cassia (cinnamon)	50	60
Cloves	100	90
Ginger	115	100
Mace	75	75
Nutmeg	75	75
Pimento	75	75
White pepper	75	75

*Quarterly quotas based on percentage of deliveries (if packers), acceptances (if receivers), and use (if industrial users), in the corresponding quarter of 1941.

Property War Loss Claims Must Be Filed Feb. 1

Secretary of Commerce Jesse Jones has announced that the War Damage Corporation will investigate claims for loss of property in transit between any points located in the United States, in the Canal Zone, and in the Territories and possessions of the United States with the exception of the Philippine Islands. All claims for loss of property in transit between such points which resulted directly from enemy attack between December 6, 1941, and July 1, 1942, should be filed with the Washington office of War Damage Corporation on or before February 1, 1943. Investigation of such claims will be conducted in accordance with the provisions of Section 5g of the Reconstruction Finance Corporation Act, as amended.

All claimants were notified that, notwithstanding the investigation, the War Damage Corporation reserves the right, in accordance with the statute and the regulations issued thereunder, to determine whether or not the Corporation is liable.

New Grapefruit Canners Association Formed

Grapefruit juice canners in California and Arizona recently organized the California-Arizona Grapefruit Canners Association. Byron J. Showers has been selected as secretary of the Association and will have offices in 503 Security Building, Phoenix, Arizona.

W. J. Logan Heads WPB Compliance Division

Appointment of William John Logan, formerly vice-president of the Central Hanover Bank and Trust Company, New York City, to be Director of the Compliance Division of the War Production Board, has been announced by J. A. Krug, Deputy Director General for Distribution.

At the same time, Mr. Krug announced that Walter H. Foster, of WPB's Legal Division, will serve as Chief Compliance Commissioner, with headquarters in Washington.

PACKER-LEVEL TUNA PRICES ARE SET

Ceilings Established by OPA Cover Canned Tuna, Bonito and Yellowtail

Specific uniform dollars and cents prices at the packer level have been established for tuna, bonito and yellowtail, according to a January 8 announcement of the Office of Price Administration.

These new canner ceilings are fixed in Maximum Price Regulation No. 299—effective January 13. They reflect approximately the average March prices which packers previously had charged their wholesale customers. For example, on "fancy light meat" tuna in one-pound containers, canner ceilings during March had ranged from $20 to $28 per case of 48 cans. The new ceiling is $23.

Previously, a wide variance in March ceiling prices of canners was caused by the difference in inventory practices of each packer. Some used the "first in-first out" pricing method and reflected actual costs at packing time, which for some was in May, 1941, and thus resulted in a lower ceiling than that of other competitors who estimated March, 1942, sales values on the basis of future prospective costs, when higher-cost replacements could be secured from the new pack in May, 1942.

The new order deals only with canner sales. Wholesalers of tuna, bonito and yellow-tail still have the choice of using either their March, 1942, ceilings under the General Maximum Price Regulation or Maximum Price Regulation No. 237, and retailers may price under GMPR or use Maximum Price Regulation No. 238.

Text of the governing sections of MPR No. 299 follows.

§ 1364.651 *Prohibition against dealing in tuna, bonito, and yellowtail at prices above the maximum.*

On or after January 13, 1943, regardless of any contract, agreement or other obligation, no canner, or agent or other person acting on behalf, or under control, of such canner shall sell or deliver any tuna, bonito, or yellowtail, and no person in the course of trade or business shall buy or receive from a canner any tuna, bonito, or yellowtail at prices higher than those set forth in Appendix A hereof, incorporated herein as § 1364.662; and no person shall agree, offer, solicit, or attempt to do any of the foregoing. The provisions of this section shall not be applicable to sales or deliveries of tuna, bonito, and yellowtail to a purchaser if prior to January 13, 1943, such tuna, bonito, or yellowtail has been received by a carrier, other than a carrier owned or controlled by the seller, for shipment to such purchaser.

§ 1364.652 *Conditional agreement.*

No canner of tuna, bonito, or yellowtail shall enter into an agreement permitting the adjustment of the prices to prices which may be higher than the maximum prices provided by § 1364.662 in the event that this Maximum Price Regulation No. 299 is amended or is determined by a court to be invalid or upon any other contingency: *Provided*, That if a petition for amendment has been duly filed, and such petition requires extensive consideration, the Administrator may grant an exception from the provisions of this section permitting the making of contracts adjustable upon the granting of the petition for amendment.

§ 1364.653 *Export sales.*

The maximum price at which a person may export tuna, bonito, or yellowtail shall be determined in accordance with the provisions of the Revised Maximum Export Price Regulation issued by the Office of Price Administration.

§ 1364.654 *Less than maximum prices.*

Lower prices than those set forth in § 1364.662 may be charged, demanded, paid, or offered.

§ 1364.655 *Evasion.*

The price limitations set forth in this Maximum Price Regulation No. 299 shall not be evaded, whether by direct or indirect methods, in connection with an offer, solicitation, agreement, sale, delivery, purchase, or receipt of, or relating to tuna, bonito or yellowtail, alone or in conjunction with any other commodity, or by way of any commission, service, transportation, or other charge, or discount, premium, or other privilege, or by tying-agreement or other trade understanding, or by changing the selection or style of processing or the canning, wrapping or packaging of tuna, bonito or yellowtail.

§ 1364.656 *Records and reports.*

(a) Every person making a purchase or sale of tuna, bonito, or yellowtail in the course of trade or business, or otherwise dealing therein, after January 12, 1943, shall keep for inspection by the Office of Price Administration for so long as the Emergency Price Control Act of 1942, as amended, remains in effect, complete and accurate records of each such purchase or sale, showing the date thereof, the name and address of the buyer and of the seller, the price contracted for or received, the quantity and a description of the grade or brand, style of pack, and container size of tuna, bonito, or yellowtail.

(b) Such persons shall submit such reports to the Office of Price Administration and keep such other records in addition to or in place of the records required in paragraph (a) of this section as the Office of Price Administration may from time to time require.

§ 1364.657 *Enforcement.*

(a) Persons violating any provision of this Maximum Price Regulation No. 299 are subject to the criminal penalties, civil enforcement actions, and suits for treble damages provided for by the Emergency Price Control Act of 1942, as amended.

(b) Persons who have evidence of any violation of this Maximum Price Regulation No. 299 or any price schedule, regulation, or order issued by the Office of Price Administration or of any act or practices which constitute such a violation are urged to communicate with the nearest district, State, or regional office of the Office of Price Administration or its principal office in Washington, D. C.

§ 1364.658 *Petitions for amendment.*

Any person seeking an amendment of any provision of this Regulation No. 299 may file a petition for amendment in accordance with the provisions of Revised Procedural Regulation No. 1 issued by the Office of Price Administration.

§ 1364.659 *Applicability of General Maximum Price Regulation.*

The provisions of this Maximum Price Regulation No. 299 supersede the provisions of the General Maximum Price Regulation with respect to sales and deliveries for which maximum prices are established by this regulation.

§ 1364.660 *Definitions.*

(a) When used in this Maximum Price Regulation No. 299 the term:

(1) "Person" includes an individual, corporation, partnership, association, any other organized group of persons, legal successor or representative of any of the foregoing, and includes the United States, any agency thereof, any other government, or any of its political subdivisions, and any agency of the foregoing: *Provided,* That no punishment provided by this regulation shall apply to the United States, or to any such government, political subdivision, or agency.

(2) "Canner" means a person who preserves tuna, bonito, or yellowtail by processing and hermetically sealing in metal containers.

(3) "Tuna" means canned meat from the following species of fish caught in the Pacific Ocean: Albacore *(Germo alalunga);* skipjack *(Katsuwomus pelamis);* bluefin *(Thunnus thynnus);* and yellowfin *(Neothunnus macropterus);* and from bluefin *(Sarda Sarda)* caught in the Atlantic Ocean.

(4) "White meat tuna" means albacore meat.

(5) "Light meat tuna" means skipjack, bluefin, or yellowfin meat.

(6) "Bonito" means canned meat from fish of the species bonito *(Sarda Chitiensis).*

(7) "Yellowtail" means canned meat from fish of the species yellowtail *(Seriola Dorsatis).*

(8) "Fancy" means choice cuts of cooked tuna from fish weighing not more than 60 pounds round weight, packed with large pieces of solid meat with the addition of one or two small pieces of solid meat, if necessary to bring the contents to required net weight, but not including any flakes added at the time of packing.

(9) "Choice cuts" means large choice pieces of cooked tuna composed of tender solid meat of selected light color and fine texture, free from dark meat, bones, skin, extraneous tissue, and any substance or condition impairing quality.

(10) "Standard" means wholesome cooked meat, regardless of size of fish, which when packed contains at least 75 per cent large pieces of solid meat, free from dark meat, bones, skin, extraneous tissue, and debris.

(11) "Flakes" mean small pieces of wholesome cooked meat not utilized in the packing of fancy or standard grades, but free from dark meat, bones, skin, extraneous tissue, and debris.

(12) "Grated" means wholesome cooked meat not utilized in the pack of fancy or standard grades, mechanically reduced to small uniform pieces but free from dark meat, bones, skin, extraneous tissue and debris.

(13) "Price per case" means the price for 48 cans of tuna, bonito, or yellowtail packed for shipment in the usual container.

(14) "No. 1 Tuna tin" means a can 401x205.5.

(15) "½ Tuna tin" means a can 307x113.

(16) "¼ Tuna tin" means a can 211x109.

(b) Unless the context otherwise requires, the definitions set forth in section 302 of the Emergency Price Control Act of 1942 shall apply to other terms used herein.

§ 1364.661 *Effective date.*

This Maximum Price Regulation No. 299 (§§ 1364.651 to 1364.662, inclusive) shall become effective January 13, 1943.

§ 1364.662 *Appendix A: Maximum canners' prices for Tuna, Bonito, and Yellowtail.*

(a) The prices set forth below are maximum prices per case f. o. b. car at the shipping point nearest cannery. The maximum prices are gross prices and the seller shall deduct therefrom his customary allowances, discounts, and differentials to purchasers of different classes.

Variety	Style of container and price per case		
	1 lb. Tuna	½ lb. Tuna	¼ lb. Tuna
Albacore:			
Fancy	$31.00	$16.00	$9.00
Standard	27.00	14.00	8.00
Grated	25.00	13.00	7.50
Flake	25.00	13.00	7.50
Light meat:			
Fancy	23.00	12.00	7.00
Standard	21.00	11.00	6.50
Grated	19.70	10.35	6.20
Flake	19.00	10.00	6.00
Bonito:			
Standard	17.00	9.00	5.50
Flake	15.00	8.00	5.00
Yellowtail:			
Standard	16.00	8.50	5.25
Flake	14.00	7.50	4.75

(b) For varieties, container sizes, or types and styles of pack of tuna, bonito, and yellowtail not listed in paragraph (a) the price shall be a price determined by the Office of Price Administration to be in line with the prices listed in paragraph (a). Such determination shall be made upon written request, addressed to the Office of Price Administration, Washington, D. C., and accompanied by sworn statements showing costs and usual differentials.

Additional Gasoline Rations for Salesmen

Formal provisions under which food salesmen and other salesmen of essential commodities may obtain additional gasoline coupons were written into the rationing regulations on January 5 by the Office of Price Administration. However, because of the gasoline shortage in the East, the extra ration for salesmen will be provided only in the States outside the eastern shortage area.

To qualify for the additional coupons, a salesman must be engaged principally in selling an eligible commodity. Among the eligible commodities are foods which are essential to the health of the community. The additional coupons will not be issued for selling directly to the ultimate consumer nor for selling alcoholic beverages, soft drinks, ice cream or candy.

Applicants for the salesman's ration must file a statement with their rationing board showing the types of commodities sold, the kinds of establishments that use the commodities, and the types of persons to whom the foods are sold. In addition, the applicant must indicate the average monthly mileage driven in 1942 in selling the eligible commodity.

Sweetened Condensed Milk Hearing Announced

A public hearing is scheduled for January 26 in the South Building of the Department of Agriculture, Washington, D. C., on a proposed amendment to provide for the use of corn sirup as an optional ingredient in sweetened condensed milk. This notice was given by the Administrator of the Federal Security Agency in the December 24 issue of the *Federal Register.*

SEASONAL COMMODITY ORDER AMENDED

OPA Recognizes Changes in Container Sizes for Canned Boned Chicken, Turkey

Because container sizes used in making sales of canned boned chicken and canned boned turkey to government purchasing agencies have changed since last March, the Office of Price Administration announced a new formula effective January 5, which processors must use in computing their ceiling prices for sales of these two articles to Federal agencies.

During March, 1942, sales of canned boned chicken to Federal agencies were confined to one-pound and smaller tins bought by Lend-lease. Virtually no canned boned turkey was purchased by the Government during the March base period.

Both products now are covered under Maximum Price Regulation No. 262 (Seasonal and Miscellaneous Food Commodities), which requires the setting of new maximum prices from prices charged during the base period for "a commodity of comparable type." However, OPA deemed it inadvisable to consider a 35-ounce tin comparable to a 16-ounce tin of a product in a price determination which compares dollars and cents mark-up of a 16-ounce commodity to costs of a 35-ounce commodity. Therefore, Amendment No. 3 to the regulation provides a conversion formula for determining ceiling prices for sales of 35-ounce and other large size containers of these commodities to government purchasing agencies.

OPA officials indicated that because few canned boned turkey sales were made in March to government agencies, without the new amendment indicating turkey as a "commodity of comparable type" to canned boned chicken for sales to Federal agencies, many processors would have been unable to price their product properly. Furthermore, the two commodities are comparable in their processing, packing, cost and use. The new amendment also will take into consideration any past or future product changes caused by Army buying specifications.

Other highlights of the amendment include the following:

(1) Sales of canned chili con carne to Federal agencies are excepted from provisions of MPR No. 262. However, this item, together with other Army meat rations, is mentioned in MPR No. 156 (Certain Beef and Beef Products Purchased by Certain Federal Agencies).

(2) "Fountain Fruits" are defined in the new amendment, thus clearing up some trade uncertainties as to what items are covered under this category under MPR No. 262. Text of the governing sections of the amended MPR No. 262 follows:

Sections 1351.955a, 1351.958a and 1351.965 (a) (15) are added and Sections 1351.965 (a) (1) and an item in 1351.969 are amended, all to read as set forth below:

Section 1351.955a *Maximum prices for new container sizes and new formulae of canned boned chicken and canned boned turkey for sales to the United States or any agency thereof.*

(a) The maximum price per dozen or other unit of canned boned chicken and canned boned turkey for sales to the United States or any agency thereof in any new container size of the same or of a different formula of products from that sold to this class of purchasers during March, 1942, shall be calculated as follows. The producer shall:

(1) *Select the base container size of the formula to be priced.* The producer shall first select the nearest container size of the same formula, or, if he did not sell the same formula, then of a different formula of canned boned chicken or canned boned turkey sold by him to the United States or any agency thereof during March, 1942. He shall then calculate new maximum prices for that nearest container size of the same or different formula (as the case may be) of canned boned chicken or canned boned turkey under the provisions of Section 1351.955 (even though he may no longer sell or intend to sell that size).

For purposes of this section only, canned boned chicken may be considered a commodity comparable to canned boned turkey.

As used in this paragraph "formula" means that proportion of chicken or turkey meat, skin, broth and salt specified by the agency of the United States making the purchase.

(2) *Deduct the container cost.* Taking the maximum price per dozen or other unit which he has already calculated for the selected base container size, the producer shall then subtract container costs per dozen or other unit of that container.

(3) *Adjust for the difference in contents.* The figure obtained by this deduction shall then be adjusted by dividing it by the number of ounces in that sized container and multiplying the result by the number of ounces in the new sized container being priced.

(4) *Add the new container cost.* Finally, the packer shall add to this adjusted figure container costs for the size and formula per dozen or other unit of the sized container being priced.

As used in this paragraph "container costs" means the invoice price delivered at the producer's factory of the container, label, cap (if any), shipping case, dividers (if any), metal strapping (if any) and all other materials specified by the purchaser as required packing material. "Container costs" shall be computed in accordance with the provisions of paragraph (a) of Section 1351.955.

(b) If a producer did not sell canned boned chicken or canned boned turkey during March, 1942, to the United States or any agency thereof, he shall take as his maximum price for sales to purchasers of that class the maximum price of his most closely competitive producer of the same class for sales of canned boned chicken or canned boned turkey to the United States or any agency thereof as determined under this Regulation.

Section 1351.958a *Exempt sales.* This Regulation shall not apply to the following:

* * * * * * *

(b) Sales or deliveries of canned chile con carne to the United States or any agency thereof.

Section 1351.965 *Definitions.* (a) When used in this Maximum Price Regulation No. 262 the term:

(1) "Producer" means a person, a firm or corporation operating an establishment producing, manufacturing or processing a commodity listed in Appendix A or B hereof.

* * * * * * *

(15) "Fountain Fruits" means processed fruits in syrup, either whole, cut or crushed and packed in container sizes

customarily bought by drug stores, soda fountains, ice cream manufacturers, taverns, etc., including, but not limited to:

Bananas in syrup
Cherries, whole
Cherries, sliced
Cherries, crushed
Cherries, Maraschino in containers of 28 fluid ounces or larger
Fruit salad
Orange-pineapple
Peaches, brandy flavored
Peach Melba
Pineapple, crushed
Pineapple, cubes
Pineapple, Maraschino
Raspberries, crushed
Raspberries, whole
Strawberries, crushed
Strawberries, whole
Tutti-frutti (or similar combinations)

Section 1351.969 *Appendix B: Miscellaneous food commodities covered by this regulation.* The following miscellaneous food commodities are covered by and shall be governed by this Maximum Price Regulation No. 262.

* * * * * * *

Canned boned chicken
Canned boned turkey

* * * * * * *

Section 1351.967a *Effective dates of amendments.* * * *

(c) This Amendment No. 3 to Maximum Price Regulation No. 262 (§§ 1351.955a, 1351.958.a, 1351.965 (a) (1) and (15), 1351.969 and 1351.967a (c)) shall become effective January 5, 1943.

Distributor Mark-ups for Canned Milk

New and uniform mark-ups for condensed and evaporated milk at the wholesale and retail levels were established on January 8, 1943, by the Office of Price Administration. The margins allowed at wholesale are: In the case of retailer-owned co-operatives, net cost multiplied by 1.035; cash and carry wholesalers, net cost by 1.035; service and delivery wholesalers, net cost by 1.045.

The margins allowed at retail are: In the case of all independent retailers with a volume of less than $250,000, net cost multiplied by 1.20; chain retailers with a volume of less than $250,000, net cost by 1.10; either chain or independent retailers with a volume of $250,000 or more, net cost by 1.09.

Used Farm Machines Placed Under Price Control

Sales of five types of used farm machines were placed under price control January 5 by the Office of Price Administration. This action was designed, it was stated, to relieve farmers from paying excessive prices resulting from rapidly increasing demand.

The machines covered are used farm tractors (except crawler tractors) and the following important used harvesting machines: Combines, corn pickers, corn binders, and motor or tractor operated hay balers.

OPA placed under a specific control measure all retail sales of these items of used farm equipment, whether made by dealers, auctioneers, or farmers themselves. Generally, the maximum prices are 70 per cent and 95 per cent of the list or base prices for the same new equipment, depending on the condition of the equipment when resold.

Replacement of Lost or Damaged Sugar

Several problems occasionally encountered by manufacturers who use sugar in their products, and by restaurants and others, are covered in greater detail than formerly, in Amendment No. 32 to Rationing Order No. 3 issued by the Office of Price Administration and which became effective January 8.

The amendment specifies procedure to be followed when such "industrial and institutional users" need to replace sugar that has been lost, destroyed, stolen or damaged. Disposal of damaged sugar is considered as well. The amendment also covers problems involved in the transfer of sugar from person to person for shipment, storage, or when it is used as security.

Schedule A Sugar Replacement Not Permitted

Manufacturers who use sugar in putting up canned vegetables, fruits, and fruit juices; frozen fruit, and canned or cured meats, fish and poultry sold to the Army, Navy and other specified government agencies, may not obtain replacement of that sugar under the rationing regulation, the Office of Price Administration announced January 5.

Hitherto, this fact was generally understood, OPA said, but the provision is specifically set out in Amendment No. 33 to Ration Order 3, effective January 11.

The sugar ration regulations divide manufactured products containing sugar into two groups:

Schedule A users—The listed products containing sugar may be made without limit—as far as sugar ration regulations are concerned—as to the total quantity produced. The amount of sugar allowed the manufacturer of these products depends on the total number of units he produces. A canner, for example, may put up an unlimited number of cans of peaches, but he may obtain only a specified quantity of sugar depending on the total number of cans he puts up. Since sugar rationing regulations do not restrict the total quantity of those products which may be procured, there is no reason to allow replacement of sugar used in them.

Schedule B users—On the other hand, sugar rationing regulations limit the amount of sugar which may be obtained for bakery products, ice cream, bottled beverages, confectionery, preserves, specialties, and such products. When these products are sold to the Army, the Navy, and to other named groups, the regulation permits the manufacturer to replace the sugar used in them.

Text of Amendment No. 33 to Ration Order 3 follows:

A rationale for this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register. A new Section 1407.188 is added as set forth below:

ARMED FORCES OF THE UNITED STATES; CERTAIN OTHER PERSONS AND AGENCIES

* * * * * * *

§ 1407.188 *Restriction on replacement of sugar in products listed in Schedule A.*—The provisions of Sections 1407.184, 1407.185, and 1407.186 shall not be deemed to apply to products listed in Section 1407.241, Schedule A.

* * * * * * *

§ 1407.222 *Effective dates of amendments.*—

* * * * * * *

(hh) Amendment No. 33 (Section 1407.188) shall become effective January 11, 1943.

MANPOWER COMMITTEE OUTLINES PLANS

Urges Canners to Contact Their Respective State Organizations on Labor Supply

The NCA Manpower Committee, appointment of which was authorized at the annual meeting in Chicago, last week sent a letter to all canners outlining its organization and plans for work. As stated in this letter, the Committee, as a representative of the industry, is conferring with appropriate Federal government agencies in an effort to obtain removal of obstacles to a maximum production of canned foods, and also is acting in advisory capacity to the newly-created NCA Manpower Division.

The Manpower Committee urges that individual canners get into communication with their State organizations, under whose auspices both State and community organizations are being developed to work on the manpower problem. The NCA Manpower Division will serve as a central agency to promote these organizations, to furnish them with information and service, and to facilitate the exchange of ideas and plans for recruiting labor.

In its letter to canners the Manpower Committee emphasized the fact that if the task of obtaining adequate manpower is to be carried out successfully, every canner must get on the job at once and stay with the job.

Plans for the recruitment of cannery labor now being promoted by the NCA Manpower Division provide both for community organizations to stimulate such recruitment from sources hitherto untapped, and for cooperation in every way with the local offices of the U. S. Employment Service.

The USES offices can work effectively with individual canners and with individual community organizations only if these offices are fully informed as to the amount of labor the canner will need and when it will be needed. The USES office can not take over for the canner the job of finding the labor that the canner will need. On the other hand, it can and will make its facilities and services available to the canner in both the recruitment and placement of labor.

The War Manpower Commission does not intend to restrict all hiring and recruiting activities to USES, Chairman Paul V. McNutt announced January 5.

"From time to time, reports have become current in some localities that the U. S. Employment Service is to be made the exclusive channel for all hiring," Mr. McNutt said. "Authority to make it an exclusive channel was granted by the President's Executive Order No. 9279 of December 7. However, we are not contemplating such a step at this time.

"It is important to note that the President's order also permits hiring, solicitation and recruitment to be conducted in accordance with such arrangements as the Chairman of the War Manpower Commission may approve.

"We intend to make use of all sound and proved facilities that will put the right workers in the right jobs at the right time. Union hiring halls and company personnel offices that are functioning on a sound basis should continue in operation. It is obviously essential, however, that their operation must serve total overall manpower objectives, following the policies of the War Manpower Commission and contributing to the establishment of an orderly labor market.

"Wherever the requirements of sound manpower policy are violated, it may be necessary to limit hiring, solicitation and recruitment to the U. S. Employment Service. Such violations would include pirating workers, labor hoarding, discrimination in hiring, and similar practices which prevent using local labor supply for maximum effectiveness in war production. Ordinarily, however, we do not expect that it will be necessary to invoke exclusive hiring—and these few instances will be confined to a relatively small number of labor shortage areas."

Mr. McNutt said that the Commission's National Management-Labor Policy Committee, which has expressed its belief that the U. S. Employment Service offices can and should be made the primary clearance agency for the recruitment and employment of workers, and the Commission staff, are now working on a program for integrating the operation of various types of hiring agencies. This program will include the requirements which must be met by non-governmental hiring agencies in order to obtain approval for continued operation.

One of the subjects to which the State canners associations and the State committees are expected to give consideration is that of State laws or regulations that may unnecessarily handicap the industry in obtaining needed labor. The War, Navy and Labor Departments, War Production Board, War Manpower Commission, Maritime Commission, and Office of Defense Transportation have joined in a statement, issued January 4, recommending that State laws and regulations embracing the following basic principles should be preserved, except where modification may be necessary during the war period to insure maximum production: (1) a maximum 48-hour week; (2) an 8-hour day; (3) one day of rest in seven; (4) adequate rest and meal periods; (5) adaptation of hours of work and working conditions to the age and sex of the worker, except that there must be no relaxation or modification of standards governing the employment of minors under 16; (6) proper safeguards for health and safety; (7) the same wage rates for women as for men.

Knowlson Resigns from War Production Board

Resignation of James S. Knowlson as Vice Chairman of the War Production Board was announced January 4 by Chairman Donald M. Nelson. In making the announcement Mr. Nelson said that he was retaining Mr. Knowlson within the WPB organization on a "when actually employed" basis, so that he could be called on as a consultant or special assistant from time to time.

Mr. Knowlson resigned in order to return to his duties as president and chairman of the board of the Stewart-Warner Corporation in Chicago.

In September, 1941, he entered the Office of Production Management as Deputy Director of Priorities. After WPB was established he was made Director of Industry Operations, in which post he was responsible for initiating and executing the vast program for conversion of peace-time industry to war work. Last summer Mr. Knowlson was made Vice Chairman of the War Production Board, and designated to serve as Mr. Nelson's deputy on the Combined Production and Resources Board.

WANTED AND FOR SALE

Machinery–Equipment

Names of member-firms who want to buy or who are offering for sale the machinery and equipment items listed below will be furnished upon application to the Association. When requesting names, be sure to give the number of the item referred to (41-S, 29-W, etc.), and your firm name.

This service is limited to publication of the items wanted or for sale and to furnishing the identity of buyer or seller on request. When offering machinery and equipment for listing in this column, always include a brief description of the item. Address copy to attention, INFORMATION LETTER. Copy should be mailed so as to arrive in Washington not later than Thursday for publication the same week. Each item will be published three consecutive times, unless the LETTER is instructed to withdraw the copy.

WANTED

29-W—A tenderometer.

30-W—Standard-Knapp dumper, unscrambler and booster for No. 2½ cans or smaller.

31-W—Caser, 24/2.

32-W—Used Model B American Utensil juice extractor.

33-W—One used super-pulper, size No. 100, or two super-pulpers, size No. 50. Machines should be of stainless steel or Waukesha metal.

34-W—Two 150- or 200-gallon stainless steel or nickel steam jacketed open top kettles.

FOR SALE

41-S—Two Model RL-948 Barrett lift trucks with iron wheels and 2⅝" lift.

42-S—Twenty-five Type PM platforms, 36 inches wide by 60 inches long by 9½ inches high, with 1⅛ inch hardwood tops.

43-S—50-h. p. steam engine.

44-S—New, uncrated 30-gallon stainless steel trunnion kettle with double motion tilting agitator.

45-S—Used 150 hp. boiler, complete with fittings and 60-foot stack.

46-S—Berlin-Chapman cookers for No. 2½ cans; 550-can capacity.

47-S—Hanson pea and bean filler with change parts and extra sirup device.

48-S—No. 10, 5-way, square exhaust box.

49-S—M & S corn filler.

50-S—Dunkley cherry pitter, style E-4, with ⅞-inch diameter holes in drum, 80 rpm.

51-S—Dunkley cherry pitter, style E-4, with 1-inch diameter openings in drum, 80 rpm.

52-S—White Labeling Machine Company labeler.

53-S—No. 6 Peerless exhauster in excellent condition. Will handle cans up to and including No. 3's.

54-S—100-h.p., 2-cylinder McEwan oil engine in excellent condition.

55-S—APCO horizontal turbine type pump, capacity 150 gallons per minute at 70-foot head. Complete with 5-h.p., 3-phase, 220-440 volt motor with magnetic starter.

56-S—4-inch Cook foot valve to fit inside 8-inch well pipe.

NEW CARLOADING REQUIREMENTS ISSUED

ODT Direction Prescribes Minimum Weights for Canned, Dried and Frozen Foods

The Office of Defense Transportation has announced special loading requirements, effective January 4, for carload shipments by rail of a wide variety of commodities, including canned, dried and frozen foods.

The special direction prescribing the requirements (Special Direction ODT 18, Revised—5) supersedes a special direction that has been applicable to a limited number of commodities since General Order ODT 18, Revised, prescribing general regulations for maximum loading of railroad freight cars, went into effect on November 1. The new direction revises some of the special loading requirements previously applicable and establishes specific requirements for loading of numerous additional commodities.

Under the general order, railroads are prohibited from accepting carload shipments, other than of excepted commodities, which do not fill a car either to its marked weight capacity or to its visible capacity.

The January 4 direction adds a number of new commodities to the list for which special loading requirements are prescribed, and revises the requirements in a number of other commodities.

Following is text of the special direction, along with the loading instructions for certain of the listed products:

Pursuant to the provisions of § 500.22, Subpart C, (General Order ODT 18, Revised), Part 500, this chapter and title of the Code of Federal Regulations, it is hereby ordered, that:

§ 520.486 *Transportation of certain commodities.* Notwithstanding the provisions of § 500.21, Subpart C, (General Order ODT 18, Revised), Part 500, this chapter and title, of the Code of Federal Regulations, any rail carrier may accept for transportation at point of origin, or forward therefrom, carload freight consisting of any of the following commodities when the car containing such freight is loaded to the extent hereinafter shown or in conformity with the provisions of paragraphs (a), (b) or (c) of § 500.21 of General Order ODT 18, Revised. Except as otherwise shown the loading requirements provided herein apply on straight carload shipments:

Canned goods: Including milk in cans, shall be loaded to a weight not less than 65,000 pounds.

Fruit, dried: In boxes, shall be loaded to a weight not less than 70,000 pounds.

Frozen commodities: (Straight or mixed carload shipments) Frozen fruits, vegetables, eggs, juices, sea-food, poultry, and meats, in a closed freight car, packed in cartons or other containers, shall be loaded to an elevation not lower than 18 inches from the ceiling of the car measured at its side wall, each layer of containers to be the same length and width as the floor space of the car.

Vegetables, dried: Dried beans, peas, and lentils, in burlap, cotton, or paper bags, in straight or mixed carloads, shall be loaded to a weight not less than 80,000 pounds.

EFFECT OF VICTORY TAX UPON CANNERS

Summary of Provisions of Revenue Act Dealing With 5 Per Cent War Levy

The Revenue Act of 1942 imposes upon every employer the duty of collecting a tax of 5 per cent upon the gross wages paid each employee in excess of $624 a year, beginning January 1, 1943. As stated in the INFORMATION LETTER of December 31, 1942, it is expected that regulations covering this tax will shortly be issued by the Commissioner of Internal Revenue. In view of the widespread interest in the application of the tax and the numerous questions which recently have been raised, it is believed that a summary of the provisions of the Revenue Act of 1942 with respect to the Victory Tax will be of assistance to canners pending the issuance of formal regulations.

Any explanatory statements offered at this time are of course subject to change in any regulations or interpretations issued hereafter by the Commissioner of Internal Revenue.

Amount of Tax to Be Withheld

The amount of the Victory Tax to be withheld by every canner is 5 per cent of all amounts paid to the employee in excess of the withholding deduction allowed. The Commissioner of Internal Revenue has ruled that the tax must be withheld if the established payroll period ends on or after January 1, 1943. In such a case, the tax must be withheld from the full amount of the wages paid in excess of the withholding deduction allowable. Thus, in the case of an established weekly payroll period ending on January 2, 1943, a tax must be withheld on the entire amount of wages paid for the week December 27, 1942, to January 2, 1943, in excess of the $12 deduction allowable. Likewise, if the established payroll period is semi-monthly and ends after January 1, 1943, the tax must be collected on all wages paid for the entire period in excess of the semi-monthly deduction allowable, which is $26. If, however, the established payroll period ended on or before December 31, 1942, no withholding is required even though the employee is not paid until early in January, 1943. All canners and all trade associations are considered employers under the law.

For the purposes of the Victory Tax section, wages are defined as all payments which are covered in income for services performed by an employee, including the cash value of all remuneration paid in any medium other than cash. Thus, wages include salary, commissions, bonuses and payments made in goods or other media. Employers are relieved, however, of the necessity of collecting the Victory Tax upon certain classes of wages and salaries, even though employees performing those services must pay a Victory Tax upon the wages received at the time of filing their income tax returns. It is not necessary for employers to withhold taxes upon wages paid for *agricultural labor*, for domestic service in a private home, for casual labor not in the course of the employer's trade or business, or for services performed as an employee while outside the United States during the major part of the year. Although "agricultural labor has been exempted from the withholding tax requirement," it should be noted that the term "agricultural labor" as defined by the Internal Revenue Code does not include employees employed by commercial canning companies. Section 1426(h) of the Internal Revenue Code states that the term "agricultural labor" includes all services performed in handling, planting, processing, freezing, etc., any fruits or vegetables if such service is performed as an incident to preparing those commodities for market, but shall not include any "service performed in connection with commercial canning or commercial freezing."

Calculation of the Withholding Deduction

Every employee is permitted a total annual withholding deduction of $624 a year and schedules have been set up by the Act prorating the deduction over specified payroll periods. Thus, the Act provides that, for the following payroll periods, the withholding deduction shall be:

Weekly	$12
Biweekly	24
Semimonthly	26
Monthly	52
Quarterly	156
Semiannually	312
Annually	624

The Act likewise permits the employer to use a table giving the amount of the tax to be withheld in terms of wage brackets, in lieu of an exact calculation of the 5 per cent tax. For example, the optional wage bracket table permits an employer to deduct 10¢ for a weekly payroll period where the employee's wages are between $12 and $16; 30¢ for a weekly payroll period when the wages are between $16 and $20; 10¢ for a biweekly payroll period where the wages are between $24 and $30, etc. Copies of the optional withholding tables by wage brackets may be obtained from the nearest Collector of Internal Revenue. Although the tax collected by the employer under these tables will not equal the exact 5 per cent required under the statute, this will make little difference since the employee is required to adjust his Victory Tax liability in his income tax return for 1942.

The use of these tables may in many instances lessen the paper work required of the employer.

If the payroll period is less than one week, no tax need be withheld until the full $12 withholding deduction has been earned. Likewise, if an employee is paid less than $12 in any one week, the difference between the amount paid and the $12 deduction may not be carried forward to the succeeding week as an additional deduction.

If the payroll period is greater than one week and does not conform to any of the periods set forth in the schedule quoted above, the withholding deduction is $1.71 (the total deduction of $624 divided by 365 days) multiplied by the number of days in the period. Thus, the withholding deduction for a payroll period of ten days would be $17.10. Where wages are paid without regard to any fixed payroll period, as in the case of commissions paid to salesmen upon completion of a sale, the withholding deduction is computed upon the number of days elapsing since the date of the last payment to the employee during the calendar year.

In the event any errors are made in the calculation of the tax or in the amount of the withholding deduction allowed each employee, corrections will be permitted at the end of each quarterly period.

Maximum Withholding Allowances

No employer may allow a withholding deduction to any employee in excess of $624 a year. It is not necessary, however, for an employer to concern himself with any withholding deduction allowed by another employer to the same employee. It is understood that the duty of the employer will extend only to his own wage payments and withholding deduction allowances. If an employee's total withholding deduction exceeds $624 because of employment by more than one employer, the employee will be required to pay a tax on the amount exceeding $624 at the time he files his income tax return for the year.

Treatment of Commissions, Bonuses and Termination Payments

If an employee receives wages regularly at periodic intervals, and in addition receives bonuses, commissions or termination payments which cover either a different period or without regard to a fixed period, the amount of the withholding deduction shall be calculated separately with respect to the wage payments and with respect to the bonuses and commissions. Thus, if a person received a weekly salary for a 26-week period and at the end of such period received a bonus paid with respect to the six-months period, he will have been allowed an aggregate withholding deduction of $312 with respect to the weekly wages and $312 with respect to the bonus, or a total of $624. Since the maximum annual allowance for any individual is $624, the employer will be required to collect a tax on the full amount of any further wages paid to the same employee during that year.

If, however, an employee is given bonuses or additional payments (such as overtime) for any payroll period, the salary and additional payments will be construed to constitute a single wage payment for that period and only one withholding deduction will be allowed. For example, if an individual is employed as a salesman at a monthly salary plus commissions upon the sales made during that month, that employee would be entitled only to a withholding deduction of $52 against both salary and commission.

Records to Be Kept

The Commissioner of Internal Revenue may require such records to be kept as he may prescribe, but it is understood that no set form of record will be required of each employer. Each canner should, however, provide a permanent record or system containing the names of his employees, the amounts of the wages for each pay period, the period covered, the amount of the deductions allowed, the amount of the Victory Tax, and the amount paid to the employee.

Reports to Be Filed

Canners should obtain from the nearest Internal Revenue Collector certain forms upon which statements and returns must be made. The forms which will be required are as follows:

Quarterly Return of Victory Tax Withheld, (Form V-1); Statement of Victory Tax Withheld, (Form V-2); Reconciliation of Quarterly Victory Tax Withheld with Statement of Victory Tax Withheld, (Form V-3).

The first quarterly return which must be made by canners will be for the quarter ending March 31, 1943, and Form V-1 must be filed and the tax paid not later than April 30, 1943. Canners will be required to retain a duplicate of the quarterly statements and file those duplicates with the return for the fourth quarter of the calendar year. The return for the fourth quarter must likewise be accompanied by a Reconciliation of Quarterly Returns of Victory Tax Withheld with Statements of Victory Tax Withheld, Form V-3.

Each employer is required to furnish to each employee, on or before January 31 of the succeeding year, a written statement showing the period covered by the payment, the wages of the employee during the period and the amount of the tax withheld and collected under the Act (Form V-2). If the employment of an individual is terminated before the close of the calendar year, Form V-2 must be given to the employee when he receives his last pay check.

If an employee is employed throughout the year, only one statement need be furnished to him before January 31 of the following year. In the case of an employee whose employment is intermittent, a statement must be furnished him on Form V-2 at the end of any term of employment where it is not certain that he will be reemployed. Copies of Form V-2 may be obtained upon application to the nearest Collector of Internal Revenue.

Liability of an Employer

Every employer required to collect the Victory Tax is made liable for the payment of the tax to be withheld, but is relieved of liability to any other person for the amount of such payment. Any employer who wilfully fails to furnish statements to employees, or who furnishes false or fraudulent statements, will be subject to a fine of not more than $1,000 or imprisonment for not more than one year, or both, in addition to a civil penalty of not more than $50 for each failure. Additional penalties are prescribed for any failure to make and file a timely return of the tax withheld.

Notice to Employees

Although it is not necessary that canners do so, canners should acquaint employees with the provisions of the Revenue Act with respect to the Victory Tax and the necessity of withholding a portion of all wage payments by the employer. A notice has been prepared by the Commissioner of Internal Revenue for this purpose which may be posted in offices and plants entitled "The Victory Tax—Notice to Employees." Canners desiring such notices should request the number desired from the Collector of Internal Revenue. In lieu of the official notice the Commissioner has recommended that the following notice be made available to employees:

WITHHOLDING OF TAX—NOTICE TO EMPLOYEES

The Victory Tax provisions of the Revenue Act of 1942 become effective January 1, 1943. Beginning January 1, 1943, every employer is required to withhold, collect, and pay upon all wages of every employee (except for agricultural labor, domestic service, and casual labor, and for certain other classes of service) a tax of 5 per cent of the excess of each payment of such wages over the Withholding Deduction allowable. The Withholding Deduction is $624 for the year and corresponding amounts depending upon the payroll period by which the employee is paid.

Wages consist of all remuneration, whether designated as wages, salaries, commissions, or bonuses, or whether in the form of cash or goods, or quarters and subsistence, to the extent that such remuneration is includible in income.

The amount of tax withheld by the employer from wages is required to be paid by the employer to the Collector of Internal Revenue for the district, and may be taken by the employee as credit (not as deduction from income) against the Victory Tax first, and the excess, if any, against the income tax, for which he may be liable for the taxable year, beginning after December 31, 1942, in which the Victory Tax is withheld.

Every employer required to withhold a tax in respect of the wages of an employee is required to furnish such employee in respect of his employment during the calendar year, on or before January 31 of the succeeding year, or if his employment is terminated before the close of such calendar year, on the day on which the last payment of wages is made, a written statement showing the period covered by the statement, the wages paid by the employer to such employee during such period, and the amount of the tax withheld in respect of such wages.

As the Statement of Victory Tax Withheld, which the employer is required to furnish each employee, may be required in substantiation of income shown by the return or in evidence of the amount of credit to which the taxpayer is entitled under the provisions of the Act, the Statements received by employees should be carefully preserved.

Every individual having a gross income in excess of $624 for the taxable year is required to make a return for Victory Tax purposes. Such return for the calendar year 1943 must be filed not later than March 15, 1944.

An employee is not relieved of filing an income and Victory Tax return by the fact that the Victory Tax has been withheld by his employer from wage or salary payments.

Firms Admitted to Membership in the Association

The following firms have been admitted to membership in the Association since November 28, 1942:

Cambria Canning Corporation, Fall River, Wisconsin.
Freeman Indian River Canners, Inc., Fort Pierce, Florida.
John Klaeboe & Co., Seattle, Washington.
Markham Brothers & Co., Okeechobee, Florida.
H. R. Phelps Company, North Bay, New York.
Ruby Canning Company, Ruby, South Carolina.
Russell-Black & Company, Plant City, Florida.
Sunny Slope Farm, San Jose, California.
United Growers, Inc., Salem, Oregon.

TRADE AGREEMENT SIGNED WITH MEXICO

Reductions in Duty Made on Some American Canned Foods; Others Bound

Reductions in duty on a few United States canned foods and bindings against increases on others are among the concessions contained in a reciprocal trade agreement signed with Mexico on December 23.

Canned asparagus and canned vegetables not specifically provided for in the Mexican tariff, excluding vegetable juices and soups, will benefit by a 20 per cent reduction in duty. Included in the canned items which Mexico binds against increases in duty are tomatoes and tomato sauce, fruits and fruit juices, meats not specifically provided for, and meat foods containing vegetables, evaporated milk, salmon, and sardines.

Concessions granted by the United States on imports of Mexican fruits and vegetables include a reduction in the duty on fresh limes, fresh pineapple in bulk, green or unripe lima beans during certain months of the year, dried chickpeas, green or unripe peas, and tomatoes, peppers, and eggplant in their natural state.

The agreement will enter into force 30 days after its proclamation by the presidents of the United States and Mexico, or, if the proclamations are not made on the same day, 30 days after the one later in time. It will remain in force for a period of three years from its effective date unless terminated earlier. If, by the end of the 3-year period, neither government has given six months notice to the other of intention to terminate the agreement it will continue in force thereafter subject to termination on six months notice.

The general provisions of the agreement provide for putting into effect the tariff concessions listed and also include most-favored-nation provisions assuring that tariff concessions accorded by either country to any third country will be extended immediately to the other party to the agreement. The customary exception regarding special trade relations between the United States and Cuba is included.

The concessions granted by Mexico on canned foods imported from the United States are presented in the following table, which shows the former rates of duty along with the new rates established by the present agreement:

Product	Rates of duty: Former *Mexican pesos per kilogram*	Rates of duty: Present *Mexican pesos per kilogram*
Canned meats, not specified	0.70	0.70
Canned meat foods, even when containing vegetable products in any proportion, unspecified	0.70	0.70
Canned salmon weighing up to 5 kilos	0.70	0.70
Canned sardines, weighing 210 grams or over	0.70	0.70
Milk, evaporated	0.40	0.40
Canned vegetable foods, not specified	0.50	0.40
Canned asparagus	0.50	0.40
Tomato sauce	0.60	0.60
Canned tomatoes	0.60	0.60
Canned fruits in syrup or in their juice	2.00	2.00
Fruit juices, not specified, with a density up to 1.25 at a temperature of 15 degrees centigrade	1.00	1.00
Fruit juices, not specified, with a density exceeding 1.25 at a temperature of 15 degrees centigrade	3.00	3.00

On the itemized list of tariff concessions made by the United States to Mexico are the following:

Product	Rate of duty: Before agreement	Rate of duty: After agreement
Packing boxes and packing-box shooks	15% ad valorem	7 1/2% ad valorem
Containers of citrus fruits	25% ad valorem	12 1/2% ad valorem
Berries (except blueberries), preserved	35% ad valorem	17 1/2% ad valorem
Pineapples, in crates of 2.45 cubic feet:		
Full-duty imports	35¢ per crate of 2.45 cu. ft.	35¢ per crate of 2.45 cu. ft.
Imports from Cuba	20¢ (net) per crate of 2.45 cu. ft.	20¢ (net) per crate of 2.45 cu. ft.
Pineapples in bulk:		
Full-duty imports	9/10¢ each	8/10¢ each
Imports from Cuba	5/10¢ (net) each	5/10¢ (net) each
Lima beans, green or unripe, when entered for consumption during the period December 1 to the following May 31, inclusive:		
Full-duty imports	3 1/2¢ per lb.	2 1/3¢ per lb.
Imports from Cuba	1 4/10¢ (net) per lb.	1 4/10¢ per lb.
Beans, n.s.p.f., green or unripe, other than lima:		
Full-duty imports	3 1/2¢ per lb.	2¢ per lb.
Imports from Cuba	2 8/10¢ (net) per lb.	1 6/10¢ (net) per lb.
Peas, green or unripe (except cow-peas and chickpeas)		
July 1 to Sept. 30, inclusive:		
Full-duty imports	2¢ per lb.	2¢ per lb.
Imports from Cuba	1 6/10¢ (net) per lb.	1 6/10¢ (net) per lb.
October 1 to June 30, inclusive:		
Full-duty imports	3 9/10¢ per lb.	2¢ per lb.
Imports from Cuba	3 3/25¢ (net) per lb.	1 6/10¢ (net) per lb.
Tomatoes in their natural state:		
Full-duty imports	3¢ per lb.	1 1/2¢ per lb.
Imports from Cuba, December 1 to last day of following February, inclusive	1 8/10¢ (net) per lb.	1 2/10¢ (net) per lb.
March 1 to November 30	2 4/10¢ (net) per lb.	1 2/10¢ (net) per lb.
Provided, That effective thirty days after the President of the United States of America, after termination of the unlimited national emergency proclaimed on May 27, 1941, shall have proclaimed that the abnormal situation in respect of tomatoes has terminated, the rate of duty on tomatoes in their natural state shall be		2 1/4¢ per lb.
Shrimp and prawns	Free	Bound free
Pimento (allspice)	Free	Bound free
Tuna, prepared or preserved	45% ad valorem	22 1/2% ad valorem
Pineapples, prepared or preserved:		
Full-duty imports	1 1/2¢ per lb.	1¢ per lb.
Imports from Cuba	8/10¢ (net) per lb.	8/10¢ (net) per lb.

Important Decision of State Supreme Court

In 1938 the Association was requested to investigate in Virginia the death of two persons attributed to canned food. While the investigation disclosed circumstantial evidence that might fasten suspicion on that food, there was nothing to indicate that there was anything wrong with it and the nature of the illness suffered was not characteristic of food poisoning. Furthermore, two or three persons ate the food without suffering any illness.

Suit was filed by the administrator of the estate against the packer in the State of Washington. The case was tried before a jury and resulted in a substantial judgment for the plaintiff. With the approval of Association counsel and the packer, the case was appealed to the Supreme Court of the State, which has just recently handed down a decision setting aside the judgment and dismissing the suit. In substance, the Court held that too much was left to speculation or conjecture, and that there was no conclusive evidence that the deaths were caused by the canned food.

This decision should be helpful in future cases of a similar nature. It is in line with the opinion expressed by other State courts, that no claim can be maintained in such cases unless the food is proved to be unwholesome.

Dr. Prescott Made NCA Consultant on Dehydration

On January 1, Dr. S. C. Prescott, former Dean of Science at the Massachusetts Institute of Technology, became consultant on dehydration to the Association research laboratories. The appointment was made as a result of the canning industry's growing interest in dehydration.

During the past year the laboratory has attempted to keep up with information on the essential aspects of dehydration and frequently has been called on by the membership for information on the subject. In certain instances there has been need for expert advice in this field.

Dr. Prescott did pioneer work on the bacteriology of canning before the turn of the century. For many years he was in charge of the Department of Biology and Public Health at the Massachusetts Institute of Technology. During the last war he held the rank of major in the Sanitary Corps and gave principal attention to dehydration problems in that war period. His experience of that time has carried over to the present war when his guidance has been sought by official agencies and individual organizations.

Maximum Prices Established for Rotenone

Manufacturers' and wholesalers' maximum prices for all rotenone products ranging from the imported root to finished insecticides were established January 8 by the Office of Price Administration.

The over-all effect of the new regulation, designated Maximum Price Regulation No. 298, will be to "smooth" prices by forcing downward those which have been out of line, thus reducing maximum retail prices an average of 5 per cent for common rotenone dusts. No price increases above the March, 1942, level will result from the regulation. The regulation is effective January 13, 1943.

Government Assigns Prominent Roles in Meat Rationing Program to Misses Black and Smith

An intensive campaign, sponsored by some 20 government agencies to restrict civilian consumption of meat, is being conducted throughout the United States.

Until such time as rationing is put into effect, homemakers are being asked to voluntarily ration their consumption of beef, pork, lamb and mutton. To put the program into effect, Government Extension Service and OCD personnel were used.

Leading nutritionists throughout the country were asked to help train volunteers to visit homemakers in the United States to explain the "Why, What and How" of limiting the restricted meats. Marjorie H. Black, of the Association's Home Economics Division, was a member of the National Planning Committee. She is national secretary of the Home Economics Women in Business and represented that group on the committee.

Katherine R. Smith of the Home Economics Division has been appointed chairman of the training of the nutritionists in the District of Columbia. Ninety-five leading nutritionists attended the training meetings, 65 of whom had signed up to participate in the program. The following organizations were represented: American Women's Voluntary Services, colleges, public schools, dietitians, government agencies, Home Economics Women in Business, homemakers, Public Health and Welfare, and American Red Cross. The nutritionists trained block leaders, who in turn trained the volunteers. Homes visited in the District totaled 25,996.

Schools are cooperating by explaining the program to students. The press has carried releases, and radio cooperated with interviews and announcements. Miss Black broadcast on the Columbia Broadcasting Company network and Miss Smith over the facilities of the National Broadcasting Company in Washington, D. C.

State Legislatures To Meet

The legislatures of 44 States will hold regular sessions this year and canners will find it advisable to examine carefully the provisions of proposed regulatory measures that would affect their ability to produce for war and civilian needs.

Listed below are the States whose legislatures will hold regular sessions and the dates on which the sessions were scheduled to begin:

Alabama	May 4	Nevada	January 18
Arizona	January 11	New Hampshire	January 6
Arkansas	January 11	New Jersey	January 12
California	January 4	New Mexico	January 12
Colorado	January 6	New York	January 6
Connecticut	January 6	North Carolina	January 6
Delaware	January 5	North Dakota	January 5
Florida	April 6	Ohio	January 4
Georgia	January 11	Oklahoma	January 5
Idaho	January 4	Oregon	January 11
Illinois	January 6	Pennsylvania	January 5
Indiana	January 7	Rhode Island	January 5
Iowa	January 11	South Carolina	January 12
Kansas	January 12	South Dakota	January 5
Maine	January 6	Tennessee	January 4
Maryland	January 6	Texas	January 12
Massachusetts	January 6	Utah	January 11
Michigan	January 6	Vermont	January 6
Minnesota	January 5	Washington	January 11
Missouri	January 6	West Virginia	January 13
Montana	January 4	Wisconsin	January 13
Nebraska	January 5	Wyoming	January 12

STANDARDS FOR TOMATO PLANTS

Department of Agriculture Presents Tolerances, Grades, Bunching and Packing Standards

The Agricultural Marketing Administration of the Department of Agriculture has issued "U. S. Standards for Tomato Plants," which presents grades, tolerances and standards for bunching and packing. Text of the standards follows:

INTRODUCTION—Numbers and letters in parentheses following the grade terms indicate where such terms are defined under *Definitions of Terms.*

The tolerances for the standards are on a container basis. However, individual containers in any lot may vary from the specified tolerances as stated below, provided the averages for the entire lot, based on sample inspection, are within the tolerances specified.

For a tolerance of 10 per cent or more, individual containers in any lot may contain not more than one and one-half times the tolerance specified.

For a tolerance of less than 10 per cent, individual containers in any lot may contain not more than double the tolerance specified.

GRADES—*U. S. No. 1* shall consist of tomato plants of similar varietal characteristics (1), which are fairly fresh (2), strong (3), and unbroken (4). The stems shall be fairly straight (5), firm (6), but not soft (7), or woody (8). The tops shall be leafy (9), and of normal color (10).

The plants shall be free from decay and early blight (*Alternaria solani*), and from damage (11) caused by other diseases, freezing (12), heating (13), foreign material, insects, mechanical or other means.

Unless otherwise specified, the diameter (14) of the stem of each plant shall be not less than 3/16 inch, and the length of the stem (15) shall not be less than 6 inches nor more than 9 inches. The length of the main tap root (16) shall be not less than 1/3 of the length of the stem.

TOLERANCES—In order to allow for variations other than size, incident to proper grading and handling, not more than a total of 10 per cent, by count, of the tomato plants in any container may be below the requirements of this grade, but no tolerance shall be allowed for decay or early blight (*Alternaria solani*). In addition, not more than a total of 10 per cent, by count, of the tomato plants in any container may not meet the specified size requirements, but not more than 5 per cent shall be allowed for plants which are smaller than the minimum diameter required.

STANDARDS FOR BUNCHING—Tomato plants may be packed loose or in bunches. When bunched, the number of plants per bunch shall average not less than 50 plants in 50-size bunches and not less than 100 plants in 100-size bunches provided that not more than 10 per cent of the bunches in individual containers may have less than 45 plants in the case of 50-size bunches, or less than 90 plants in the case of 100-size bunches.

STANDARDS FOR PACKING—The plants in individual bunches shall be arranged with the tops of the roots in approximately the same plane and the roots shall be protected by an adequate supply of moistened peat moss, sphagnum moss, or other suitable packing material with moisture holding capacity, well scattered over the outside roots in the bunch and held in place with a paper wrap. The bunches shall be packed upright and fairly tightly in containers of sufficient height to accommodate the size of plants packed and in such a manner as to not cause bending or excessive bruising of the plants.

In order to allow for variations incident to proper packing not more than 10 per cent of the containers in any lot may fail to meet the packing requirements.

Unclassified shall consist of tomato plants which have not been classified in accordance with the foregoing grade. The term "unclassified" is not a grade within the meaning of these standards but is provided as a designation to show that no definite grade has been applied to the lot.

DEFINITIONS OF TERMS—As used in these Standards:

(1) "Similar varietal characteristics" means that the plants have the same general character of growth and color.

(2) "Fairly fresh" means that the stems, roots and foliage are not excessively wilted, limp or flabby.

(3) "Strong" means that the stem is fairly stiff and sturdy enough to hold the top in a reasonably erect position.

(4) "Unbroken" means that the stem and that portion of the main tap root remaining on the plant after pulling is not broken.

(5) "Fairly straight" means that the stem is not more than moderately curved or crooked.

(6) "Firm" means that the stem about midway between the growing tip and the base does not yield more than slightly to moderate pressure of the fingers.

(7) "Soft" means that the stem about midway between the growing tip and the base yields more than slightly to moderate pressure of the fingers.

(8) "Woody" means that the stem is excessively hard and fibrous.

(9) "Leafy" means that the leaves of the plant are of normal development and not small and under-developed.

(10) "Normal color" means that the plant shows a healthy green color.

(11) "Damage" means any injury or defect which materially affects the normal growth, shipping quality, or general appearance of the plant.

(12) "Freezing" means injury to the plant caused by excessively low temperatures.

(13) "Heating" means injury to the plant caused by excessively high temperatures.

(14) "Diameter" means the greatest thickness of the stem measured at the first or second internode above the cotyledons.

(15) "The length of the stem" means the distance from the top of the underground root system to the growing tip of the plant.

(16) "Length of the main tap root" means the distance from the top of the underground root system to the end of the largest central root.

Appley Heads Placement Bureau of WMC

The appointment of Lawrence A. Appley, vice-president of Vick Chemical Company, New York, as chief of the War Manpower Commission's Bureau of Placement, has been announced.

Mr. Appley, who has been acting as an expert consultant on personnel to the Secretary of War, will have authority over the functions of the United States Employment Service, and will be in charge of industrial, agricultural, professional, and government employment. The transfers of workers will come under him.

1942 Green Olive Crop of Spain a Failure

Spain's 1942 crop of green olives for pickling was a failure due to adverse weather conditions in the vicinity of Seville, according to the Department of Commerce.

Production of queen olives is estimated at the low figure of 640,000 gallons of which only 240,000 gallons are suitable for export while production of manzanilla olives is placed at 2,400,000 gallons, of which about 800,000 gallons are of export quality.

Stocks of the 1941 crop of green olives for export greatly exceed the estimated new production for this year and are reported to total 5,600,000 gallons of queen olives and 4,000,000 gallons of manzanilla olives.

Effect of Recent Court Rulings on District of Columbia Corporation Income Tax Law

As reported in the INFORMATION LETTER for June 27, 1942, No. 889, at page 7077, the District of Columbia Corporation Income Tax Law was amended in June, 1942, to exempt from the tax all income received by foreign corporations from orders which are accepted outside of the District where title to the property passes outside of the District of Columbia. It was pointed out in that issue of the LETTER that if orders for canned foods were subject to acceptance or rejection at the canner's home office and title to the canned foods passed upon delivery to the carrier, the canner would not be required to pay a tax upon orders procured in the District of Columbia.

The Corporation Counsel of the District, in an opinion dated September 4, 1942, has ruled that where goods are delivered in the District of Columbia on a bill of lading with a sight draft attached, title to such goods passes in the District, and the income from such a sale is taxable. The opinion was requested by a company located outside the District of Columbia which accepted orders at its home office and delivered the goods on a bill of lading with sight draft attached, the purchaser paying all transportation charges from the factory. If similar sales are made by any canner, District officials will consider such sales subject to the District of Columbia corporation income tax, and will require the canner to obtain a license.

In a recent opinion by the United States Court of Appeals for the District of Columbia (*Eastman Kodak Co.* v. *District of Columbia*, November 2, 1942) the court upheld the formula used by District officials for determining the amount of net income received from DC sources. Regulations adopted by the commissioners provided that the portion of gross income to be allocated to District sources, should be that percentage which the total District sales bear to the company's total sales. The Eastman Company contended that the tax was invalid in that the goods sold in the District were produced elsewhere and the profits which resulted from the sales of those goods were not entirely "income from sources within the District of Columbia." The court held that, although it is true that a large portion of such income is practically attributable to activity which took place outside of the District, for tax purposes the geographical "source of income" from the sale of goods is in the place where the sale is made. The court thus upheld the "sales factor formula" in determining the amount of income to be allocated to District of Columbia sources.

WAR DEVELOPMENTS AFFECTING CANNERS

Price Controls and Other Regulations Imposed On Products Used in Food Packing

During recent weeks a number of governmental regulations were issued by various agencies, affecting products that are used in canning operations. Highlights of some of these are given briefly in the following paragraphs:

Annato or annato extracts are restricted exclusively to coloring food products by Conservation Order M-103, as amended January 1. Formerly such dyes were used also for textiles, leather and pigments. Civilian quotas for the first quarter of 1943 remain at 70 per cent of 1941 consumption.

Fertilizer manufacturers have been permitted by the Office of Price Administration to enter into sales agreements with and make deliveries to their customers on an "open price" basis for a period not to exceed 60 days following December 5. This action, which is subject to later OPA review, was taken so that fertilizer deliveries may be made currently and thus not impede farm operations.

Industrial thermometers, pressure gauges, control valves and other industrial type instruments have been placed under the control of the War Production Board. The control is established by Limitation Order L-234, which also provides that WPB may issue directions to any manufacturer regarding the scheduling of his production and deliveries. Until such directions are issued, the manufacturer will continue to schedule his production and deliveries in accordance with general priorities regulations and any specific directions which he may have received.

Laboratory equipment purchasers are not permitted to acquire an item valued at more than $50 or any quantity of the same item to the value of more than $50, without obtaining authorization from WPB.

Typewriter rental of the remaining available machines best suited to business needs, will be rationed after February 1, 1943, to users engaged in activities essential to the war program, OPA has announced.

Plans To Cope With Local Food Shortages

Secretary of Agriculture Wickard announced on January 7 plans for the immediate organization of State and area food industry committees to handle the problem of temporary local food shortages.

Functions of the committees will be to receive and investigate complaints of shortages and where the complaints are verified, to arrange for the movement of supplies to alleviate the condition. The committees also are to determine the causes of the local shortages and recommend steps to prevent their recurrence. Membership of each committee, whether State or area, is to include representatives of the food manufacturing and distributing industries of the territories concerned.

Plans for the committees' work include the establishment of centers to receive and investigate complaints from consumers, dealers, institutions, and organizations, and steps to relieve local shortages through voluntary cooperation of manufacturers or distributors, and if that is not feasible, through action directed by the State committees or the Regional Administrators of the Food Distribution Administration.

President Will Speak to Farmers

President Roosevelt will speak by radio to American farmers on an all network program on January 12—the day designated as "Farm Mobilization Day." His address will launch a nationwide drive by the Department of Agriculture and other Federal and State agencies to enlist every farmer in the country in the 1943 food production program.

The program will emphasize importance of food in a world at war and reliance of the United Nations on U. S. farmers for food needed in this country and abroad by armed forces and civilians.

In addition to the President, other internationally known leaders of the United Nations will speak on broadcasts from England and Washington. An American farmer and a farm woman will be heard from Chicago.

Containers Division Announces Personnel Changes

Resignation of William Fitzhugh as Deputy Director of the Containers Division, War Production Board, has been announced. Roswell C. Mower, formerly Assistant Director, has been appointed Deputy Director.

Mr. Fitzhugh, who resigned to devote his time to his own company, will continue as Chief Consultant to the Division. He joined WPB in September, 1941, as Chief of the Folding and Setup Box Section, and in November, 1942, became Deputy Director of the Division.

Mr. Mower has been in charge of the following sections: Glass Container and Closure, Metal Can and Tube and Steel Drums, Gas Cylinders and Tight Cooperage.

Russell Gowans will succeed Mr. Mower as Assistant Director. In addition, to these changes, Clarence P. Kolstedt was appointed Chief of the Glass Container and Closure Section. He formerly was Deputy Chief of this Section.

Limitations Imposed on Cellophane for Packaging

Further restrictions on the use of cellophane and other cellulose films were imposed by the War Production Board, under Limitation Order L-20 as amended January 4.

The amended order lists a number of products in the packaging, sealing or manufacture of which cellophane and other cellulose wrap is forbidden, but also provides certain exceptions to the prohibitions. Food products enumerated in the restricted list are: Bottle overwraps of any sort; bottled beverages (except cellulose bands and caps for wines, liquors, and highly volatile fluids); bottled foods (except that cellulose caps and bands may be used as a metal replacement if the cap or band serves as a primary closure to a glass, ceramic, or paper top. Disc inner liners of cellulose film also are permitted in paper tops for bottled foods); canned goods of any sort; all animal foods; and carton overwraps for certain dried foods (dried peas and beans are among those mentioned). The order states also that no person prohibited from using the cellulose-type materials shall obtain them in gauges of .003-inch or greater, as a substitute for the prohibited thinner gauges.

One paragraph of the order permits the sale or delivery of off-grade or waste transparent papers (roll end trim and rejected or defective rolls and sheets), but suppliers are obliged to report to WPB the quantities and recipients of such waste materials. No restrictions as to use and delivery shall apply to any stock of the cellulose wraps which was, at the time the restrictions were imposed, in the hands of a user or of a supplier and was so cut, processed or printed as to render impracticable its use in another form. And finally, an exception is made in the case of supply to military agencies. When use is not for an implement of war, the primary contract must require the use of the restricted material.

Appointments to Office of Civilian Supply

Appointment of two division heads in the Office of Civilian Supply of the War Production Board was announced January 1 by Joseph L. Weiner, Director.

They are: C. S. Williams, of Friendship, Maine, as Director of the Controlled Materials Division, and Richard N. Johnson, of Boston, as Director of the Consumer Goods Division.

Mr. Johnson was publisher of the *Boston Evening Transcript* in Boston, Massachusetts, from 1938 to 1941. Prior to that, for ten years, he was engaged in the textile business.

Mr. Williams came to Washington in November, 1941, to become Chairman of the Office of Production Management's Clearance Committee. Upon organization of the General Industrial Equipment Division of WPB in February, 1942, he was named Director of the new division. Before joining the Government, Mr. Williams' business career was in connection with various enterprises of Thomas A. Edison and his associates.

New Distributor Ceilings on Fish, Citrus, Milk

The first step of its announced policy of simplified and standardized food pricing at the retail level was taken on January 8 by the Office of Price Administration with the establishment of new and uniform margins for retailers and wholesalers of nine food commodities. Among these are all canned fish, now defined to include shrimp and crabmeat; canned citrus fruits and juices; and evaporated and condensed milk.

Canned fish previously had been under alternate price ceilings, in which the retailer determined the maximum price either under the General Maximum Price Regulation or by use of mark-ups somewhat smaller than those now allowed.

Canned citrus fruits and juices and evaporated and condensed milk, OPA pointed out, recently have been brought under specific maximums at the processor level, and for this reason it was felt desirable to uniformly determine wholesale and retail maximums.

The new pricing methods become effective January 14 for all the nine commodities except evaporated and condensed milk, for which the effective date was January 8. OPA's action was taken through the issuance of amendments to Maximum Price Regulations 237 and 238, the regulations providing adjusted and fixed mark-ups for sales of certain food products at wholesale and retail.